

**ENGINEERING
THE NEW NORMAL**

OUR POST-COVID VIEW ON DIGITAL FINANCE

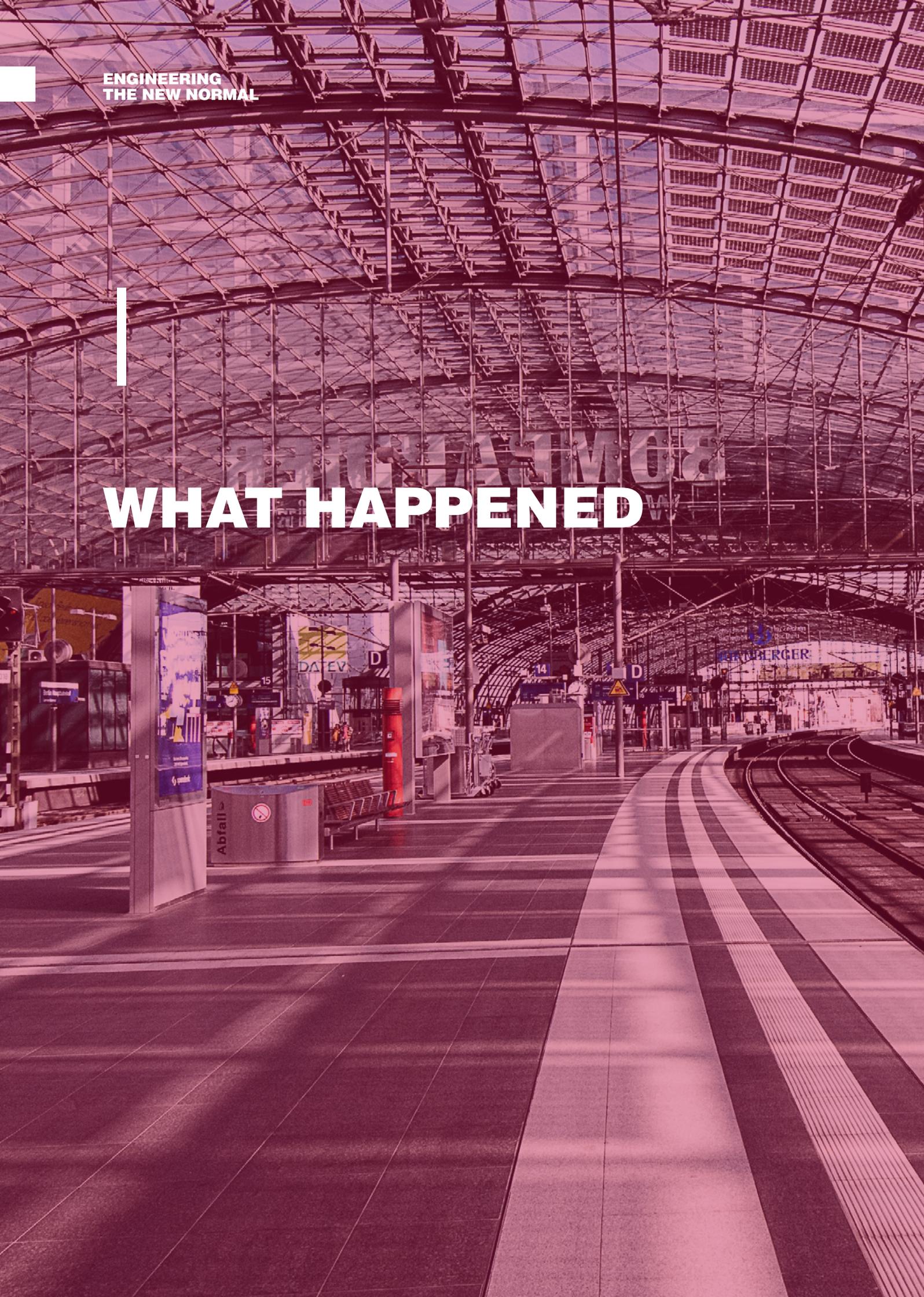
An Appendix to *Engineering The New Normal*.

WHAT ARE WE DISCUSSING?

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WHAT HAPPENED



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In Phase 1 of Covid-19 the main challenge for the operators in this market was to give continuity to the business, to preserve the health of employees by **enabling 100% of employees in Italy** (636,000 employees) to Smart Working, to support and to facilitate access to the financial aid of the many families and businesses that were struggling.

The new scenarios created by Covid-19, coupled with the evolution of the customers and their needs, are accelerating the transformation of Finance. However, the push for change generated by the emergency indicates an evolutionary trajectory that requires **a different and quicker approach to respond to changes in the areas of Customer Experience**, technology adoption, competition with Fintechs and BigTechs, and regulation.

This sector must concentrate on strategic, Digital Transformation projects. The current emergency demonstrated how this was no longer deferrable. It must also address certain specific actions to address next phases, such as credit **campaigns with particular attention to guaranteed funds**, to Covid-19 decrees, remote working tools, and sector-specific applications/systems to ensure business continuity and service delivery.

In the following months this sector will need to remember well all the lessons learned during lockdown, taking the opportunity to review and re-build with new eyes new strategies, processes, products and services, focusing on their customers, their needs and their expectation to interact with increasingly digitalized players.



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OUR VISION OF THE MARKET



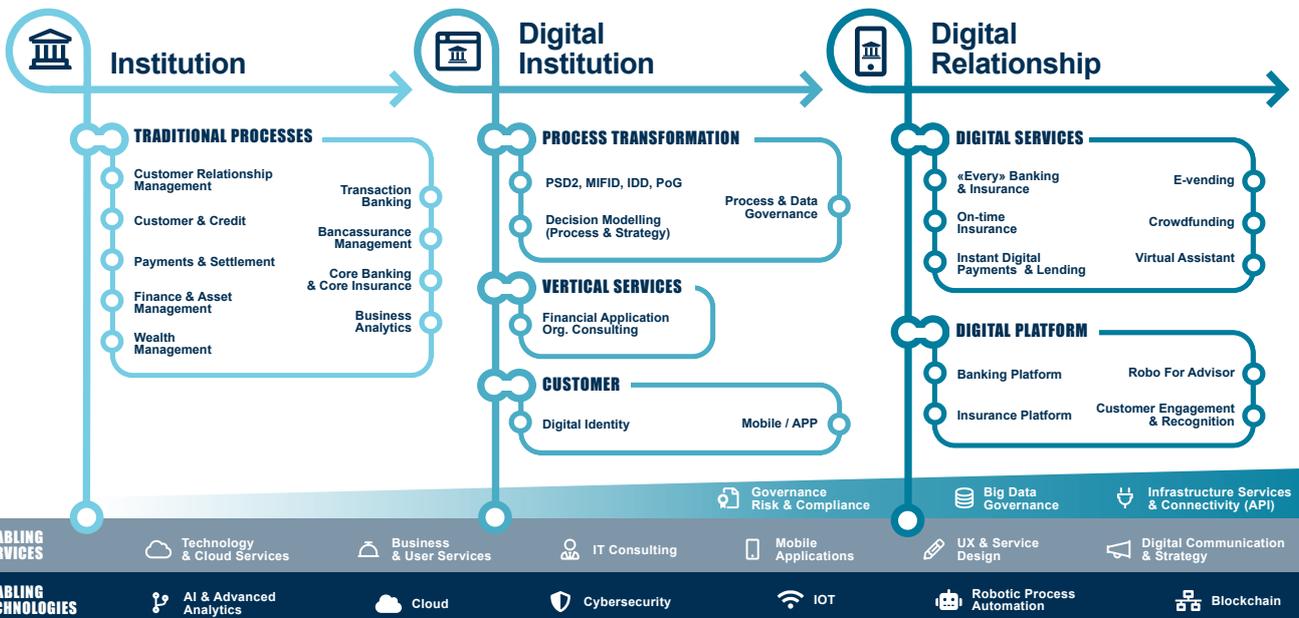
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Financial and insurance institutions are accelerating their transformation from traditional institutions to digital operators. Focusing their whole strategy on the full customer experience, leveraging all their acquired knowledge and competencies, integrating them with third parties, to evolve their products and services towards an increasingly enhanced personalization, be an active part in the creation and growth of new networks built to serve the clients needs, improving the skills of their employees by merging market and technological skills, is transforming the companies of the Finance sector into real **Relationship, Open, Data & Cognitive Companies**.

To all of this, we must add further points, typical of the industry, such as: the maintenance of security levels, essential for the provision of omnichannel and/ or hybrid services, compliance with regulations and compliance, Data Ethics, respect in the use and analysis of personal data of customers, the reorganization of digital processes and, where possible, their automation, with use of **Robotic Process Automation (RPA)** and Artificial Intelligence to become increasingly "anti-fragile" companies.

PORTFOLIO MAP

Digital Finance



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OUR POSITIONING AND SOLUTIONS



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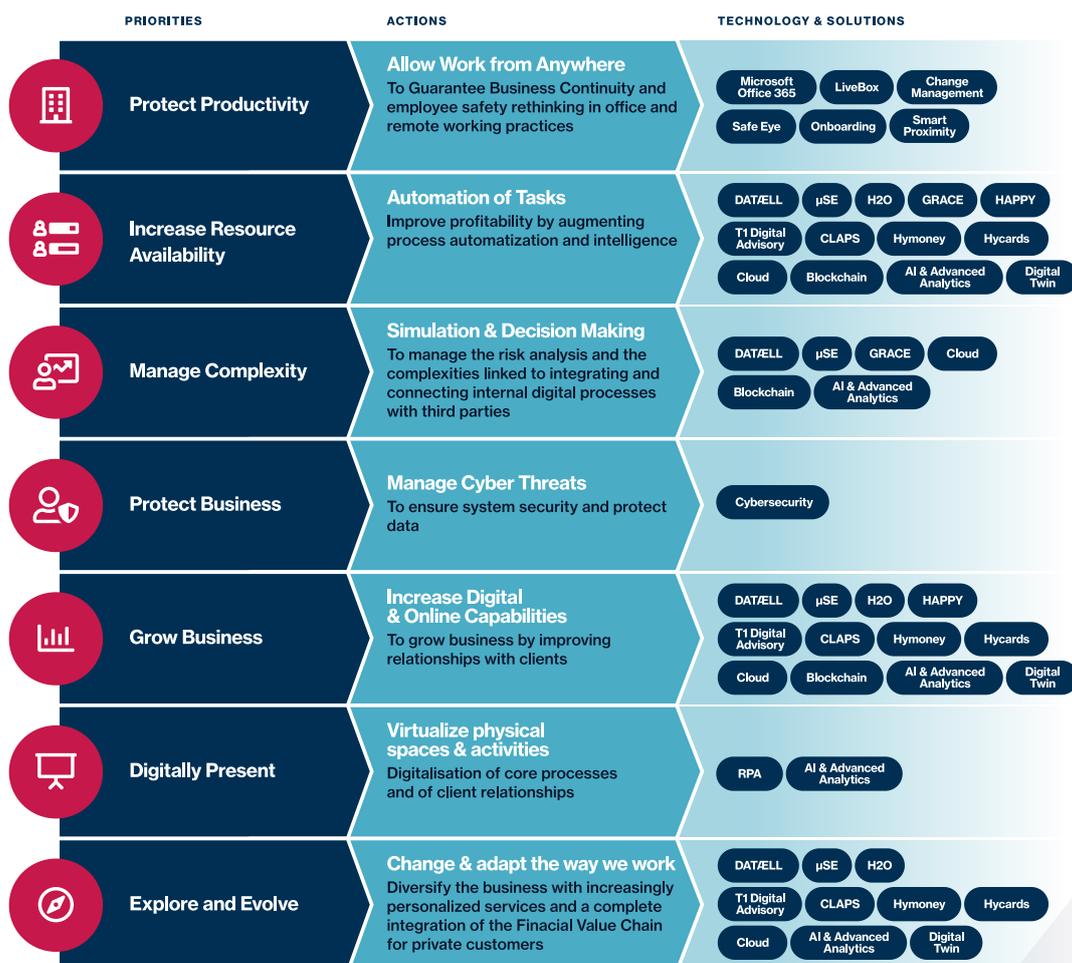
In recent years, Engineering has invested, also through acquisitions, to consolidate its excellence capable of supporting the transformation process of the sector.

Our proposals start from a cultural and training approach, to then a business consultancy and process orientated approach, to IT infrastructure, to the implementation of enabling technologies (AI & Advanced Analytics, Cloud, Blockchain, Cybersecurity, RPA, IoT), and finally to proposals of specific solutions and their on-premise or as-a-service delivery models.

Working with us, financial and insurance institutions become Relationship, Open, Data & Cognitive Companies, because our innovative as-a-service models provide solutions that transform applications into modular ecosystems. Our clients decide which parts of the process they want to delegate to Engineering, always remaining in continuity with their business processes, leading to seamless, on-demand, pay-per-use, and multicloud models.

In the following pages we will highlight what first steps can be made to enable this vertical to handle these areas and overcome the Covid-19 crisis, laying the foundations for a strategy of renewal able to forge a way beyond the emergency and towards a New Normal.

First Steps in a Post Covid World



To support players in this vertical in the creation of their New Normal, we have identified certain action items that they will be facing and which of our solutions could support them.



Protect Productivity

To Guarantee Business Continuity and employee safety rethinking in office and remote working practices

The Challenge

All the players in this sector must evolve the organisation of their offices and branches as well as review the operational processes of their employees to guarantee their safety, without losing focus on their client relationships, which will necessarily rely on increasingly digitalized interactions.

Our Solution

- **Smart Proximity:** our integrated platform that monitors and predicts potentially dangerous employee behaviour in the workplace, acting in real time with warning messages if safety distances are not respected. It can be applied in office spaces as well as manufacturing plants, building sites, stations, etc...
- **Safe Eye:** our AI based solution that, analysing videos and images, enables you to monitor and manage social distancing between people in public spaces and defined spaces.
- **Digital Workplace and Collaboration tools,** both market offerings (**Microsoft Office 365**) as well as our own secure, open source, proprietary solutions (LiveBox) to enable efficient and innovative ways of working leveraging technologies and organisational models focused on enabling the end user.
- **Change Management programs:** to support the adoption of New Normal working practices through strategies and tools aimed at organizing, enhancing and monitoring employee efficiency and productivity and also to ensure correct training and support are provided and available.
- **Onboarding:** our solution allows for a complete digital management of client contracts via smartphone, digital signage and Blockchain technology to certify all legal steps.
- **Procedure Automation for the “Cura Italia” decree – Liquidity Decree:** to support our clients as they review their product catalogue, in the Granting Process, in the Adjustment of Goods and Warranties, in the Collection of Information and Compilation of Warranty Request, in the fund request process or SACE and in the scalability of resources to support temporary peaks up to 31/12



Increase Resource
Availability

Improve profitability by augmenting process automatization and intelligence

The Challenge

To move towards a Digital Transformation that can transform them into **Relationship, Open, Data & Cognitive Banking/Insurance**, industry players must be able to approach new enabling technologies in an increasingly functional way (AI & Advanced Analytics, RPA, Digital Twin, Cloud). At the same time, they must be able to leverage solutions that enable them to innovate their processes and to focus their human and technological resources on value-added services.

Our Solution

In Engineering we have teams and **Competence Centres** dedicated to the main enabling technologies with which to enable the process innovation within the organizations.

We have implemented solutions and/or platforms based on the following infrastructure paradigms:

- **Data Driven:** to allow our customers to analyze, manage, interpret, transform and govern the data of their Data Lake and / or Big Data
- **Open Company:** towards open banking or insurance platforms
- **Relationship & Cognitive Companies:** to make the interaction with the customer as significant and personal as possible and analyze the customer-financial institution / insurance relationship
- **Digital Credit:** to implement modular solutions for the management of end-to-end credit processes with a view to Digital Transformation and process automation
- **Digital Payments:** to create an integrated, flexible, modular, customizable and omnichannel (B2B and B2C) payment platform, for the complete management of the Financial Value Chain of private and / or corporate customers
- **Governance, Risk, Regulatory & Compliance:** to allow a complete use of the banks' information assets, to support their decision-making processes and to respond adequately to the continuously changing regulatory needs
- **Digital Advisory:** to offer multi-objective consultancy (financial, credit, insurance), offering customers a global vision of their current and future needs
- **Digital Sales:** to implement a multi-institute and multi-company platform for the placement of funds, financial services, policies, insurance and credit products
- **Digital Customer:** to allow customer recognition from its first contact with the company, to manage the offer and pricing dynamically, favoring the declination of differentiated commercial policies according to a plurality of criteria, to implement / monitor the policies to govern prices and the supply of products and services.



Manage Complexity

To manage the risk analysis and the complexities linked to integrating and connecting internal digital processes with third parties

The Challenge

To innovate the Governance, Risk, Regulatory & Compliance processes towards Regtech and Suptech taking into account the continuous regulatory pressures and turning them into new business opportunities.

Our Solution

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Protect Business

To ensure system security and protect data

The Challenge

To fully define its digitalization, Finance needs to ensure the security of its systems and platforms, so as to protect its business and customer data.

Our Solution

We enable Cybersecurity both through staff training, raising awareness among employees about potential vulnerabilities to which the Company is exposed, and from an IT point of view. Thanks to Cybertech, a company of the Engineering Group, we guarantee security of all business processes, offering a deep knowledge of methodologies and security management policies necessary to address threats and manage vulnerabilities.



The Challenge

The transformation into **Relationship, Open, Data & Cognitive Banking/Insurance** must enable this to renew the customer's customer journey, making it increasingly simple and immediate through the digitalization of core business processes and the innovation of digital hybrid processes of financial and insurance institutions as well as third parties.

Our Solution

In Engineering we offer consulting on the main enabling technologies (Cloud, Blockchain, AI & Advanced Analytics, Digital Twin).

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Digitally Present

Digitalisation of core processes and of client relationships

The Challenge

To review credit, customer relations and advisory processes through the use of frontier technologies.

Our Solution

We offer consulting on:

- **Complete digital overhaul of credit processes** and new modular credit platform on based on technological infrastructure that can enable open & data companies leveraging AI and RPA for process automation, customer proposition and evaluation with a particular focus on SMBs.
- **Complete digital overhaul of customer relationship processes** and new modular customer relationship platform (from Customer View, to Sales through Knowledge) that can enable open & data companies leveraging AI and RPA for faster and smoother interactions.
- **Complete digital overhaul of the Customer Advisory processes** and evolution of our current platform towards a "multi-objective" vision (financial, credit, insurance) to offer the end customer an overall view of his current and future needs.



Diversify the business with increasingly personalized services and a complete integration of the Financial Value Chain for private customers and companies

The Challenge

Financial and insurance institutions must become part of the customer's life processes (private or company), so as to offer him a "customer journey" without friction between the satisfaction of his needs and the needs of liquidity, investment, credit and insurance, proposing customized, quick and useful solutions in the context.

Our Solution

- **Completion of our platform** to accompany our customers towards an **Relationship, Open, Data & Cognitive Companies** that will allow in addition to Data Governance and Data Knowledge: the construction of predictive analysis models, the connection in a complete ecosystem without friction thanks to our infrastructure for open banking/ insurance, to allow the financial institution to return to be a point of reference for the life choices of its private customers and/ or companies.
- **Evolution of our proposals Regtech and Suptech**, not only to meet the needs of Compliance and Regulatory, but also for the Government and the analysis of the General Risks of the Financial Institution and Insurance in addition to the detection of fraud and analysis of cyber threats.

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BUILDING
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There's no doubt the world has changed. New values, new rhythms, new models. Everyone is wondering how to rebuild and what direction to take. It is a time when the answer has to be found by asking the right questions. Questioning the status quo. The rules of the game have changed and perhaps the game itself will change. How to combine the definition of core values to generate ideas, how to learn from other markets, or how to capitalise quickly on technological developments.

New Normal will speed up the use of data to create value: these recent months have shown the power of data transversality and how, around them, we can create quickly services and virtuous ecosystems.

The walls between one vertical and the other will increasingly be mental barriers, we must then give life to new partnerships, designing and creating digital ecosystems based on technologies transversal and enabled by vertical services. These are the most important challenges to face. And we at Engineering have the strategic vision and operational capacity to accompany our customers in this challenging journey. Every day, we experiment and measure the potential for change of the new enabling technologies coming out on the innovation scene. But we also know how to do this gradually and strategically, in order **to ensure the harmonious and sustainable evolution** of the complex system of skills, processes, infrastructures and services of the organisational context in which we operate.

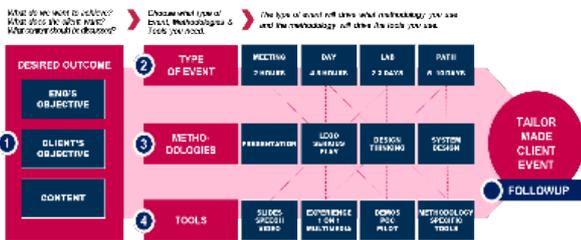
It is with this strategic ecosystem-based approach that today, we can partner with our stakeholders to build a New Normal that follows the paradigms of Digital Transformation: a path that starts with the restoration of specific business values and continues up to the recognition and involvement of the various networks of relationships and transactions that define the internal organisational system and that relate to it externally. Directly (customers, suppliers, partners, etc.) and indirectly (physical, social, economic, environmental, technological, cultural/educational system, etc.).

An intervention – the one we have adopted – that invests in innovation and not in technology: because first and foremost it focusses on the ability of the organisational body to react to the crisis, to face and resolve all the pre-existing rigidities on the supply and demand side, to then proceed to build, based on unexpressed potential and on the new value proposition, its very own specific and solid construction of the new New Normal business model.

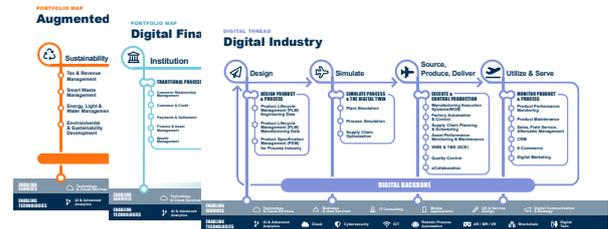


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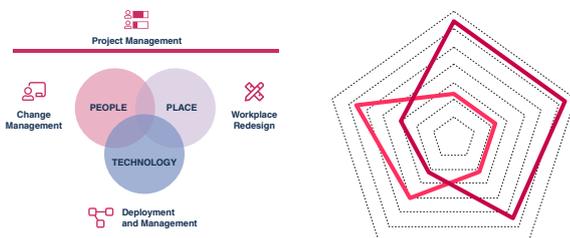
CO-DESIGN FRAMEWORK



MULTI INDUSTRY EXPERIENCE



CHANGE MANAGEMENT & MATURITY ASSESSMENT



ECOSYSTEM VIEW



Our toolbox consists of:

- **A Co-design Framework**, for the generation of ideas focussed on the innovation and transformation of the business model and for the joint design of prototypes of "ecosystem"-based solutions and platforms;
- **Change Management and Maturity Assessment processes**, to assess the strengths and areas for improvement of the organisational system and its positioning with respect to the business context in which it operates;
- **A Multi-Industrial Experience**, for sharing the experience, skills, processes and solutions that our Group has matured in the specific business chains and which become transversal when they intersect and can enhance or condition the customer's new innovation model;
- **An Ecosystem View**, designed to offer integrated and coherent services models that enable "user-centred" views (e.g. Digital Citizenship, Mobility).

There is no perfect solution for overcoming this crisis and building the so-called New Normal. But there is that sought-after ability to imagine, to create and to develop the open "peer production" solution based on a collaborative, synergistic and iterative approach: always able to give the best answers to the new innovation questions.

WITH THE COLLABORATION OF:

Edward Abbiati

Group Marketing Director,
Engineering

✉ edward.abbiati@eng.it

[in Edward Abbiati](#)

Piero Luisi

Director Smart Government Innovation,
Engineering

✉ piero.luisi@eng.it

[in Piero Luisi](#)

Roberta Giani

Group Deputy Marketing Director,
Engineering

✉ roberta.giani@eng.it

[in Roberta Giani](#)

Sauro Zuccali

Marketing Digital Finance,
Engineering

✉ sauro.zuccali@eng.it

[in Sauro Zuccali](#)

ENGINEERING

Engineering is one of the main players in the field of Digital Transformation of public and private companies and organizations, offering an innovative offer targeted at the main market segments. Together with its subsidiaries, the Engineering Group is committed to pushing the envelope as regards the application of emerging technologies. It also works in the area of system implementation and integration and on redefining processes in order to promote innovation for the benefit of businesses and Public Administrations.

With around 12,000 professionals in 65 locations spread across Italy, Belgium, Germany, Norway, Republic of Serbia, Spain, Sweden, Switzerland, Argentina, Brazil and the USA, Engineering manages projects in over 20 countries, supporting customers in the business areas where digitalization is having the biggest impact. Its products and services cover all strategic sectors, including Digital Finance, Smart Government & E-Health, Augmented Cities, Digital Industry, Smart Energy & Utilities, Digital Media & Communication. The group aims to help change the way in which the world lives and works, by combining technological infrastructures organized in a single hybrid multicloud, the capability to interpret new business models and specialist competences in all next-generation technologies: AI & Advanced Analytics, Cybersecurity, RPA, Digital Twin, IoT, Blockchain. With significant investments in R&D, Engineering plays a leading role in research, by coordinating national and international projects thanks to its team of 450 researchers and data scientists and a network of academic partners and universities throughout Europe. One of the group's key strategic assets is its carefully considered staff training policy. Engineering, since 1999, has had its own dedicated multidisciplinary training academy, the "Enrico Della Valle" School of IT & Management. With 300 certified trainers and hundreds of courses, the School has delivered more than 19,000 days of technical, methodological and process training during the last year.

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