

Microsoft Azure OpenAI Service Driving Productivity Gains To Enable New Ways To Engage Clients In Financial Services And Insurance

Microsoft commissioned Forrester Consulting to interview 20 representatives at 16 organizations and conduct a Projected Total Economic Impact™ (TEI) study to better understand the benefits, costs, and risks associated with the investment in Microsoft Azure OpenAI Service.¹

In the full TEI study, Forrester found that an industry-agnostic composite organization would see risk-adjusted financial benefits ranging between \$45.9 million and \$197.4 million over three years.

This abstract will focus on the financial services and insurance (FSI) sector's use of Microsoft Azure OpenAI Service and its value to their organizations. This sector includes banking, capital markets, and insurance organizations.

As part of the broader TEI study, Forrester interviewed two representatives with direct experience implementing Azure OpenAI Service at FSI organizations:

- A chief architect at a bank in APAC with \$11 billion in annual revenue and 30,000 total employees.
- A CTO at an investment management company headquartered in Europe with \$2 billion in annual revenue and 6,000 total employees.

Like organizations in many other industries, those in the FSI sector strive to understand the exact needs of their clients and customers. This can understandably be challenging when considering the diversity of customer individuality (when thinking of retail banks) or the significance of securing a particular client and its portfolio (when discussing private banks and wealth managers). Forrester research finds that many FSI organizations are struggling to meet the emotional engagement with their existing and prospective clients, which is key to their loyalty.²

Interviewees in the FSI sector said that by leveraging Azure OpenAI Service, their organizations are finding ways to shift responsibilities in information

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gathering and analysis away from their employees by having their AI-supported intranet searches do this in a faster, more accurate, and more standardized manner. This allows them to dedicate more time to taking action and decide how best to support their clients, both existing and prospective. The ability to personalize each engagement is projected to have direct impact on client experience and by extension business growth.

Improvement in content generation efficiency by Year 3*

30% to 60%

*For the composite organization presented in the full TEI study

INVESTMENT DRIVERS FOR FSI ORGANIZATIONS


The interviewees' organizations adopted Azure OpenAI Service to optimize and innovate new ways they can engage with their clients. In trying to do so, these organizations struggled with several challenges in their legacy environments, including:

- **Complexity of client demand.** Interviewees shared that in their industry, they often see custom request and complex demands from their clients. This often meant having to organize data from different sources and people from different parts of the organization to address some of those requests. The CTO at an investment management said: "We deal with complex business topics like investment that need a lot of expertise involved. We sell to individuals and institutions that already have a lot of detailed subject-matter expertise. [For us to provide value,] we need to pull in different people from different areas of business with different expertise. A single sales process can involve 100 people on our end, not to mention connecting with another 100 people on the client side. The challenge here is keeping everyone in sync with the right knowledge to give the client what they're really asking for and what they need at the right place in the right time."

Thus, many actors in this industry look for ways to simplify how people access the right information and can empower their workforce to have the right answers at hand during engagements with clients. The chief architect at a bank shared: “Our organization is quite large. It’s hard to be nimble. The question we asked [when evaluating Azure OpenAI Service] is, ‘How can we assist our clients better?’ That means [being] faster, more accurate, and more up to date with information at our [fingertips] to support our client engagements.”

- **Operational inefficiencies related to information management taking away from time to actually help clients.** Interviewees also shared that part of the challenge is due to employees having to do certain activities manually, which takes away time from actual client engagement. The chief architect at the bank noted: “In our private banking team, we only have 24 hours to support our client every day: eight [on] official workdays. Our relationship managers already take 3 hours out of that gathering and analyzing information to determine the best next steps. Ideally, that activity can be minimized so more time is used in engaging and helping our clients.”

The CTO at the investment management shared: “[Prior to using Azure OpenAI Service,] our analysts had to listen to earnings calls. They then had to write a report on that. Then, they would send it around to 200 people [or more] who are connected to the issue being analyzed. Then [there were] three weeks of answering their questions. All this was extremely time-consuming.”



“When you have clients that are CEOs, you want to enhance your services by discussing things like market trends and how that can impact their portfolio. By having our client meetings more efficient, information easily accessible, and content better generated, all this allows us to introduce these extra elements into our engagements.”

CHIEF ARCHITECT, BANK

KEY RESULTS FOR FSI ORGANIZATIONS

The results of the investment for the interviewees' organizations include:

Productivity gain for client support. Interviewees shared that using Azure OpenAI Service boosted the productivity of their organization's workforce when supporting clients. Whereas previously there were activities that had to be done manually (e.g., recapping meeting notes, building due diligence reports), now that can be a simple request to the internal chatbot that then quickly generates the requested information.

- The chief architect at the bank shared: “With [Azure OpenAI Service,] our employees can ask the chatbot to summarize market information that happened related to their clients. The chatbot ingests research from different data sources to then generate a script that the relationship manager, for example, can use to talk to their client about. ... What this means is that an activity that used to take our employees 3 to 4 hours to

do is now done in 5 minutes. Now, they can meet more clients. Each client engagement is more efficient because of the recommended actions prescribed by the chatbot. A 1-hour session can now become 15 to 30 minutes. This is game-changing because it improves client experience and helps them make better decisions.”

- The same interviewee added: “We want to see if the efficiency gains [from using Azure OpenAI Service] mean our staff being able to meet more clients. We also want to see whether there are impacts on the time spent per client as well as the time for prospective clients to make a decision. If we can improve those metrics by 30 to 50%, I would consider that good enough to start.”

For FSI organizations that have contact center functions, agents can also be supported by this internal chatbots to minimize the time spent per call and ensure that agents have the right information faster:

- The chief architect at the bank noted: “In our contact centers, we are giving our agents the ability to use [Azure OpenAI Service] to support their calls. The chatbot can give the agent recommended script based on the caller’s questions. The agent can type in the caller’s question and provide the answer right away instead of asking them to wait while scrambling to find the answer. What was previously a 5-minute wait and search is now 1 to 2 seconds of wait time.”
- The CTO at the investment management firm said: “[GenAI] is a massive enhancer of our workforce rather than a replacement of it. You are giving the right information and a consistent data set to the right people every time.”

Efficiency and scalability in GTM content generation. Similarly, where the activity to be supported involved generating content, the workforces at FSI organizations can now benefit from having their internal chatbots generate the requested content containing the right information in the right format.

Interviewees said that in addition to the time savings, this allowed employees to take on higher value work.

The CTO at the investment management firm said: “In our investment group, we use genAI to summarize company and industry information for our analysts. GenAI is doing a huge amount of data consumption for them, can summarize information, and can go back deeper into certain analyses. This is massive in terms of hours saved. Now, even with skipping a lot of the information search and review work that they had to do previously, our analysts can spend more time thinking about the data [and] work around some of the more nebulous relationships that exist between different data sets to really give you the best insight that you need.”

Improved client experience. The direct result of all the efficiencies described before from adopting Azure OpenAI Service in their client engagement processes is improvement in their client experience, mainly because using Azure OpenAI Service allow FSI organizations to gather and organize information in way that is targeted and directly applicable to each client they engage with:

The chief architect at the bank told Forrester: “When we get high net worth clients and we need to do our due diligence on them, [Azure OpenAI Service] helps us pull a lot of that external information quickly. While we do already have existing tools connected to various data sources, [Azure OpenAI Service] supplements our existing infrastructure very well. [In our contact centers,] we can also use [Azure OpenAI Service] to do sentiment analysis to see if, based on their tone, a client or caller is frustrated or angry. Then it would recommend our agents be more empathetic. We believe these things will help improve the overall client experience and metrics such as [NPSSM](#) (Net Promoter Score).”

Increase in average revenue per client by Year 3*

3% to 7%

*For the composite organization presented in the full TEI study

The CTO at the investment management firm added: “If you think about the sales and marketing funnel of an organization, [by having] the ability to put insights into every stage of that journey, knowing who the person that’s viewing the insight [is

and] what their impact is on the client, and knowing what the client is thinking and what they want, you can dramatically improve the interaction [you have with the client]. ... By taking away some of the administrative work, the upside is that you get more time focused on the client.”

Interviewees said the improved client experience has a direct correlation with potential business growth.

- The chief architect at the bank told Forrester: “[From our improved engagement,] we can evaluate whether we are actually helping the client more. We can see if their portfolio with us grows. If I see 10% to 20% revenue growth that can be directly attributed to [Azure OpenAI Service,] that would be a good starting point for success to me.”
- The CTO at the investment management company said: “Whenever we pitch why prospective clients should invest with us or why existing clients [that are] up for renewal should stay with us, being able to reduce the length of the sales process from the various efficiency gains related to organizing and analyzing information makes a much stronger case why we are the place you should invest in. That should [be reflected] in metrics like revenue growth.”

“GenAI is here to stay, so if we don’t use it, we become less competitive. People are our biggest assets, so we want to empower them with assisted information like this. It helps them save a lot of time. It helps them be more knowledgeable. They can analyze better and come to a decision quicker. All this helps our organization be better.”

CHIEF ARCHITECT, BANK

TOTAL ECONOMIC IMPACT ANALYSIS

For more information, read the full study: “The Projected Total Economic Impact™ Of Microsoft Azure OpenAI Service In Reinventing Customer And Constituent Engagement,” a commissioned study conducted by Forrester Consulting on behalf of Microsoft, July 2024.

STUDY FINDINGS

While the value story above is based on two interviews, Forrester interviewed 20 total representatives at 16 organizations with experience using Microsoft Azure OpenAI Service and combined the results into a three-year financial analysis for a composite organization. Projected quantified benefits by Year 3 include:

Better engagement with prospective service users driven by 10% to 20% increase in top-of-funnel prospects and 20% to 40% improvement in conversion rate.

Better engagement with current and existing service users driven by 20% to 30% reduction in churn due to better user experience.

Content generation time savings of 30% to 60%.

Improved deflection rates of 20% to 50% in contact center calls requiring a human support agent.

Appendix A: Endnotes

¹ Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

² Source: [Generative AI: What It Means For Banking](#), Forrester Research, Inc., February 26, 2024.

DISCLOSURES

The reader should be aware of the following:

The study is commissioned by Microsoft and delivered by Forrester Consulting. It is not meant to be a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Microsoft Azure OpenAI Service.

Microsoft reviewed and provided feedback to Forrester. Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning.

Microsoft provided the customer names for the interviews but did not participate in the interviews.

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