

Building the Digital Bank of Tomorrow by Transforming Product Experience Today

By:

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Customer preferences steer the direction businesses take and how consumer communication is therefore designed. In a Covid world, this is truer than ever before. Having said that, even before the pandemic hit, banks had been reassessing their approach to customer experience especially when it came to how products were designed, offered, sold, and consumed. The global health crisis has very strongly brought home the realities of being relevant – banks either need to find ways to survive or find ways to create competitive advantages.

To stay competitive and succeed, banks must future proof themselves by creating long term advantages. This is only possible if they can reimagine the value that they offer their customers. It is not enough anymore to leverage the latest technologies; it is necessary to go beyond and offer differentiated and delightful customer experiences. This may yet be one of the most important dimensions to deciding a bank's success.

Transformation 101 – Acknowledging the Changing Face of Competition

This thought was clearly captured and demonstrated by the first guest on SunTec's webinar series on the subject of 'Transforming product experiences to build the digital bank of tomorrow'. Siew Choo Soh, MD and Head, Consumer Banking and Big Data Technology at DBS Bank began by underlining the most important change in perception internally within banks like DBS. The competition is no longer other banks, but fin-techs who are already making their moves within the financial services space. The only way for banks to stay relevant is by reimagining banking as something that is simple, seamless and invisible, and to get to that point, banks must be willing to re-architect their platforms to be more cognitive.

In the journey towards digital transformation, like each bank has its own organizational path, there are those that choose differently. A bank that chooses differently, thus goes beyond customer interfaces such as digital apps or internet banking, acknowledging that full digitalization happens at the back end of the bank. Investing in modernizing of systems to become nimbler gives banks the

opportunity to compete on parameters like better turnaround time and customer experiences. A movement to micro-services and cloud-based solutions also brings significant cost savings as well as agility, especially in cases where this is necessary to support product changes being built.

It takes maturity and discipline to embrace the digital transformation journey in its entirety. DBS removed all manual tasks and embraced automation and devops, in technology and operations, as well as products. The bank moved from the concept of projects that were more short-term, to a platform model which involved taking a longer-term view and prioritization based on value of what needed to be built. Changes also included designing everything around a no-operations principle and working towards achieving full digitalization.

Unlimited Learning – Going Beyond Traditional Definitions

The traditional comparison standard of apples to apples is becoming redundant. The technology transformation piece that is critical for a bank to thrive includes a move to thinking and working like companies in big tech. At DBS, this is mapped to key principles in terms of technology choices – building using open sources, running on the cloud, automating everything, superior quality of design, building a learning organization and being connected to clients and stakeholders. The agenda is made up of a framework comprising five major areas. First is the shift from project to platform so that there is a long-term view when it comes to designing products. Second is in developing high performing and agile cross-functional teams that are autonomous and self-organizing. Third is the automating of everything. The fourth revolves around designing for modern systems. The fifth is the reorganization of the bank's thinking – such that business is stacked, and tech is business, therefore ensuring that there is no silo in between the two critical areas.

All of this is centered around the renewed need to not just connect with customers differently but re-evaluate ways to surpass customer expectations. The journey of an organization or brand cannot be different from that of the customer, which means the former must design systems that embed the customer's needs into everything they do. Technology is an enormous enabler in making this intent possible to create personalization across bank offerings. Banks will need to become more than what they currently are, and this goes beyond just digitalization of products and services. They need to overhaul their thinking to reimagine the many ways they can add value to the customer's lives that go beyond core product sales.

For this to be a reality, organizational culture plays a major supporting role and organizations that promote a learning mindset are found to evolve better and quicker. With the quantum of data available to banks, it is possible to take some risks and experiment with what a bank offers customers and how it is designed. Data will also provide banks that choose to be customer obsessed, with the agility needed to adapt to changing environments and requirements.



Mindset and Culture Drive Adoption, Therefore Transformation

SunTec's next guest provided the perspective of a company whose enterprise customers include banks. Culture was the motif of the insights shared by Santanu Dutt, Head of Technology, South East Asia, AWS. He reiterated that no matter the size or success of a company, constant transformation as the new normal meant placing the customer at the front and center of every intended change.

Structures and processes within organizations can also drive mindset change throughout the customer cycle – from pitching to acquisition, experience and finally, retention. When systems are designed to reward employees only when customer delight or value is reached, this means customer delight moves from being a conversation showpiece to actual practice on ground. Similarly, when transformation is seen as a reimagining of business internally, value can be an integral part of every single offering, regardless of industry, technology or product. And with technologies becoming exponentially smarter and data analysis sharper, sectors like banks can avail of services like those of AWS or other players to free up the focus to where it should be – building better user experiences.

This is one of the many reasons why banks are partnering with technology providers whose platforms bring a wealth of experience in analyzing customer data. The outcome is insight into the entire customer digital journey, pain points and successes; in turn, this enables banks to make data-based decisions to improve or

sometimes, even reimagine what is being offered.

Banks are beginning to think like the big tech firms they'd like to emulate and are asking partners and providers to work with them to solve systemic problems without needing to go the traditional route and involve the end user. Like in the case of a bank that worked with several developers – they wanted their internal developers to use certain cloud environments and shut down when done. Considering that the work timings of developers could not be controlled, a sensor chip on badges did the trick. When the developer swiped in as he entered the building, a signal sent to the cloud switched on their system and had the environment the company desired, ready for them. And the same chip enabled shut down when the developers left the office, which meant that the developer did not need to remember to either turn the environment on or off. A dual benefit – problem solved and value created.

Platform providers are building ecosystems around banks that want to scale. On the other side, some banks are adopting an outward looking culture towards technology development. This sort of open source model adoption could someday have banks collaborating with external developers to develop new business models, where different ideas and development could add new dimensions to what the bank can offer its customers.

Another advantage of such platform partnerships is that they provide banks, especially those that are growing, and have ambitions to scale regionally or globally. In this scenario, it spares banks the heavy lifting and management of technology infrastructure, dev ops and the like, so they can focus on their end users, the bank's customers.

Just like banks are increasing focus on their customers, tech companies are also constantly innovating to provide their enterprise clients the tools to achieve customer delight objectives. AR, VR, AI, machine learning and a combination of these technologies and more, are being looked at in new ways to offer the hyper-personalization that enterprises like banks need to stay relevant and ahead of their game.

As Transformation Becomes the Norm, The Best Time to Be a Customer is Now

Ultimately, no matter which side of the table one is sitting on, client or vendor, the cycle is that of meeting the customer's needs in an intuitive, unobtrusive and simple manner.

The extent of personalization possible through technology is still being discovered and innovated on. AI, ML, gaming, camera vision are all cognitive services that can enhance customer service.

The belief is that like touch and sight are now part of consumer behavior in their interactions with everything from brands to banks, the next frontier to make life even easier is the harnessing of the power of voice. This is set to elevate user experience to the next level and therefore increase possibilities of better customer communication – where the customer simply needs to speak to a device to get all the information needed without even having to open an app or a website, leave alone go through the process of trying to speak with a customer service operator. The process of getting in touch continues to be a major pain point for customers accompanied by not getting what they want quickly.

Cognitive technologies with the help of ready to access data can well be tangible in the hyper personalization piece. This can help guide the customer or communicate with them to quickly get to the point and sort out the issue they need help with instead of putting them off with more traditional forms of service which they are already unhappy with. Voice will further help make the customer journey seamless.

With the focus clearly being on the customer, banks work with different vendors and partners to access the technology solutions most suited to customer needs. On their part, tech partners including cloud service providers must continue to innovate so that banks have a wider choice of solutions they can pick from to further package it to best meet their customer needs in as customized a manner as possible.

For it all to come together and work, a culture of enabling innovation needs to be driven from the top but with the clarity that in practice, innovation and transformation belongs to everyone, and therefore, everyone's responsibility; not just that of a few. This makes it pervasive and a differentiator in the market. Which is why even big tech companies maintain that technology of any kind is an enabler; what makes a difference in how effective it is to get to the end goal is determined by the mindset adopted – both within the bank as well as that of the customer.

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