

Digital Process Management and Transformation Building Client Focused Digital Operating Models

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Three Paradigm Shifts

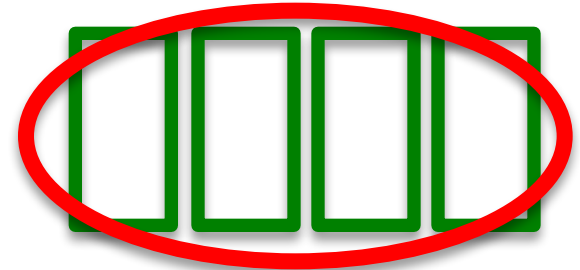
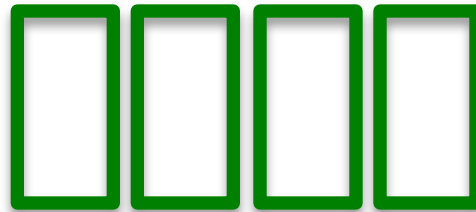
1

Market Based



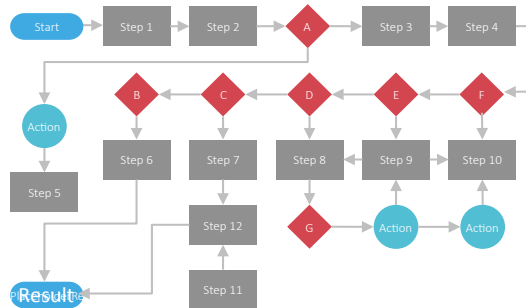
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Execution Based

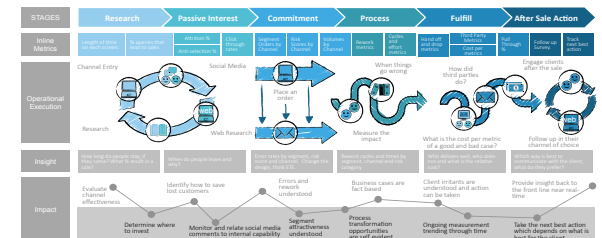


3

Design Not Reengineer



Inline Client Experience Measurement



The Pay Off For Digitization is Huge

Companies that are “Digital Masters” have 9% more revenue growth and 23% more profit¹

Companies who invest heavily in advanced analytics outperform the S&P 500 by an avg. of 64%²

Firms who have effective ETE process management grow 42 % faster and are 28% more efficient.³

Companies with stronger transformation management intensity are more profitable, have higher market valuations than those that don't (+26% and +12 % respectively)⁴

The everyday bank is highly industrialized with automated front and back offices that are integrated and optimized for speed with:

Back Office effort slashed by 80%

Managed application portfolio reduced by 70%

Time to market cut by 70%

Operating Income increased up to 30%⁵

Business Benefit:

Success...

Successful Digital Transformation Delivers Meaningful ROI

Failure...

Not Going Digital Puts Firms at Risk

1 “Leading Digital”; Harvard Business Review Press 2014

2 2011 Accenture Enterprise Analytics for Banks 2011

3 CEB Operations Council Process Ownership Survey 2013

4 The Digital Advantage: How digital leaders outperform their peers in every industry, Cap Gemini MIT Sloan 2011

5 Digital Banking: Stretch the boundaries to the Everyday Bank, Accenture



Clients Are Driving This – More Demanding/Informed/Mobile



Market Based - Clients Are Driving This

Paradigm Shift 1 - A market based shift where traditional businesses are being or will be disrupted

Market Based Paradigm Shift: Measure and Apply Analytics To Deeply Understand Clients

- Leaders measure segment performance, value, interactions and operational journey execution.
- Leaders measure employee performance and experience from a client perspective.
- Leaders connect client profiles and insight to process based interactions, triggers and patterns.
- Companies who invest heavily in advanced analytics outperform the S&P 500 by an avg. of 64%¹.



**Measure Client Interactions – To Deeply Understand Clients and
Design For Them**

Measure The Process Inline Along The Customer Journey

Online

Mobile

Track Actions and Interest

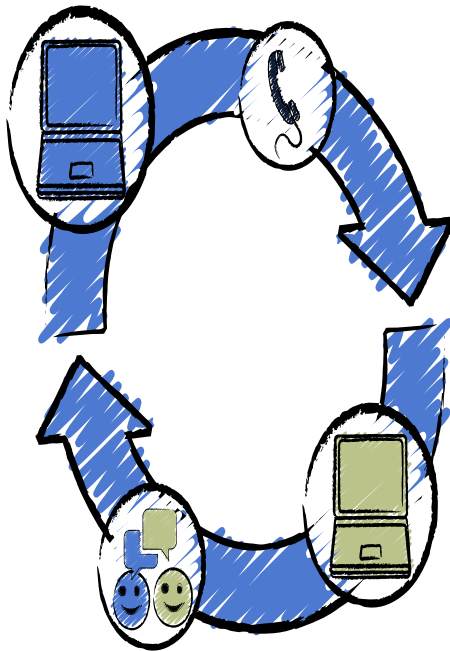
Support

Execution

Special Handling

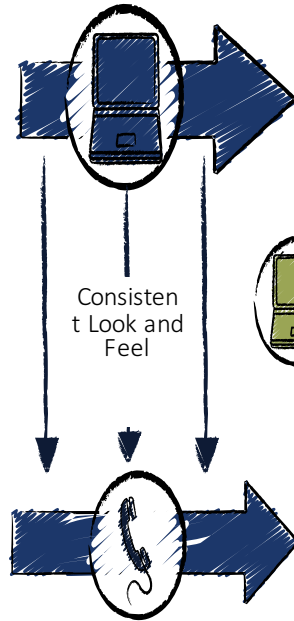
Follow up

Follow up

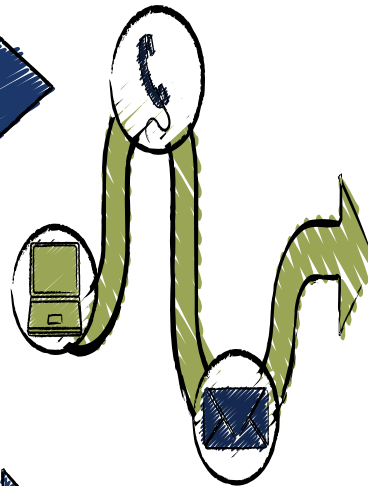


Face to Face

Anonymous on the Web



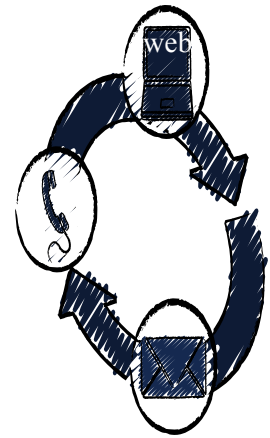
Track Actions and Interest



Support



Execution



Follow up

Make ETE Process Performance Transparent and Visible

Between a Rock an a Hard Place, Failure Is Not an Option



Execution Based - Lead With Analytics, Outside In, Cross Functional = Think ETE (Plan and Execute Well)

Paradigm Shift 2 - An execution based shift where an outside in, digital design and fundamental rethink of business process is required while executing at speed

Execution Based Paradigm Shift

Outside in, Cross Functional With Transformational Intensity

- Create joint ETE teams combining business, IT, CEX, security, business and sales disciplines.
- Create an aligned and syndicated cross functional business vision with transition stages.
- Develop transformational specialist skills and focus them ETE to change the dialogue and drive the change
- Companies with stronger transformational intensity are more profitable, have higher market valuations than those that don't (+26% and +12 % respectively)¹
- Firms who have effective ETE process management grow 42% faster and are 28% more efficient²

Transformational Intensity Mindset - To Just Get It Done

¹ The Digital Advantage: How digital leaders outperform their peers in every industry, Cap Gemini MIT Sloan 2011

² CEB Operations Council Process Ownership Survey 2013



Connect, Work Across Silos, Disciplines to Transform, Redesign



Design Based Engineering Not Reengineering

Paradigm Shift 3 - Engineer not Reengineer

Design Based Engineering:

A Strategy to Execution Gap Exists, Think End to End (ETE)

- **Operating Models Need to Transform** - Traditional process re-engineering adds limited value in the context of digital redesign, multichannel integration and transformation
- **Process Tweaks Do Not Create Significant Improvements in Operational Leverage** - Significant growth, efficiency and effectiveness are delivered by process design and transformation strategy focused on the client and employee experience.
- **Culture and Behavioural Change is Difficult** - Analytics, insight and measurement change the dialogue, create, transparency and urgency required for change.
- **Operational Process Control, Verification and Audit Approaches** change in the context of ETE design.

Execution Is Tough - It Takes Leadership, Vision and Persistence

ETE Alignment – Its Hard Work and Takes Spectacular Effort



Digital Transformation: Service Design and Process Redesign

Service Design

human-centered design
about end-to-end customer experience
underlying business processes and systems

Front to Back

all of the internal interactions
systems, processes and policies
orchestrated for customer experience.

End to End

digital is not just about marketing
its an end to end and top to bottom
convergence of capabilities, technology

Align Strategy with Execution

strategy determines the operating model
drives the process, systems, application
and data architecture, business rules,
policies and talent.
leaders drive culture and behaviour
enabling a competitive client experience

**Getting All of The Above
Aligned and Changed is
Digital Transformation**

Digital Transformation Framework: Methods, Capabilities and Structure to Enable Transformational Execution

Start with the Customer
Continual innovation and speed to market

Analytics

Connecting insight to intelligence; metrics available today?



Strategy/Planning/Vision

Focus on customer segments and priorities for quick wins

Determine Strategy

Design for the Client

Execute End to End (people, process, policy technology)

Change the Way You Change

Use Analytics and Insight to Change the Dialogue

Change and Adoption
 Awareness and engagement

Design

Minimize complexity and scope of change

Design Execution

Smaller increments = speed to value

Rely Upon SME's, Listen, Respect the Past, But Move to the Future



Strategy/Planning/Vision:

Who are Our Clients and How Do We Serve Them?

Strategic Intent

- Clearly define and understand target segments, value propositions, brand promise and vision
- Measure and understand the client perceived value of existing and planned products and services
- Align brand, client experience, product decisions to make channel and client experience design consistent
- Simplify and consolidate enterprise technology to enable focus/responsiveness for target segments.
- Automate where possible to create efficiencies.

Tactical Actions

- Determine basic client value: current, lifetime, network
- Explicit risk tolerance, capacity and desired risk profile
- Ensure alignment/understanding of strategy and vision across business technology groups
- Define a clear technology strategy/gap analysis
- Starve investment in non critical apps to fund most beneficial work for the client experience
- Link client data and internal data together for insight & service

Business Benefit:

Clarity About Client Segments, Journeys, Experience and Brand

Spending Now Aligned to Support Strategy

Scan The Horizon, Design For the Client



Design:

Design For The Client Journey, Reuse and Speed

Strategic Intent

- Enable digital flows for collaboration ETE to serve clients
- Use third parties and partners to create scale, speed and innovate as required
- Identify client journey interconnection points focus on: triggers, life events, moments of truth and irritants to engage clients
- Establish baseline for client and process based metrics
- For optimal results, engage and empower design talent, ensuring a common understanding of the vision
- Support creativity

Tactical Actions

- Design and build Omni channel platform interconnectivity
- Interconnect customer intel, CRM and product platforms to provide insight and support client service
- Interconnect workflow, imaging and document management platforms
- Select applications to update to create operational leverage
- Prototype ideas, evaluate and be prepared to “fail” ideas early or pivot as required

Business Benefit:

Interconnect and Integrate to Serve Our Clients

Engage the ETE Process Owners To Determine How We Should Build It

Take On The Bear, Be Brave, Resourceful and Strong



Execute:

Simplify, Automate, Digitize, Support and Enable

Strategic Intent

- Build a technology plan that directly ties to the strategy
- Determine the end goals and work back from the end goals to sequence initiatives that are logical and interconnected, establish a program of incremental, sustainable progress
- Ensure that the business process architecture is aligned ETE and is consistent with strategy
- Look for ways to reuse and create agility, speed and innovation
- Empower delivery teams to make good decisions

Tactical Actions

- Build and deploy enabling technology, processes and talent to serve each segment
- Build mobile, online, branch and POS capability to for ETE delivery
- Build sales and client support models that simplify execution and make it easy for employees to work
- Tactically build selective automation, imaging, document management/workflow based upon known process gaps
- Leverage established standards, frameworks and methods to reduce technology execution effort and risk
- Determine where to simplify, integrate and reuse functionality across the application inventory

Business Benefit:

Outside in Process Redesign

ETE Client and Employee Experience Improvement

Lead With Analytics, Think Outside In, Look Past The Clutter



Analytics:

Connect Analytics, Insight and Intelligence

Strategic Intent

- Use metrics across balanced scorecard dimensions to measure ETE process performance
- Set up the data architecture and governance to lever information assets
- Establish a COE for ETE process management and insight
- Measure process performance, quality and service ETE
- Identify opportunities for improvement, new services and products within strategic areas of focus

Tactical Actions

- Measure and analyze internal + external operations relative to customer segments/priorities
- Assemble and connect client product history and profiles for use in targeting, service and sales support
- Track process performance in terms of speed, responsiveness, ease of use and issue resolution rates
- Lever internal communities to encourage collaboration
- Lever digital content and client/operational information to personalize and manage the client experience
- Use social and external network research and analysis to validate

Business Benefit:

Connected Insight and Intelligence Focused on the Client Agenda

Be Happy, Think Carefully About The Culture and Talent You Need



Change:

Build Required Talent and Culture for Change and Agility

Strategic Intent

- Be explicit about your risk tolerance and capacity
- Determine how to evolve from a product centric organization to a client centric organization
- Align incentives, rewards and roles to drive the right behaviour and culture ETE in service of the customer
- Align organizational models and talent to deliver the strategy
- Align business rules, policies, decision criteria and behaviour to support the strategy

Tactical Actions

- Build most beneficial parts of The Omni channel experience eg mobile, call center scripts, queues etc.
- Design incentives and rewards for quality, service and sales
- Upgrade hiring, training and talent management to develop and retain the required talent
- Ensure that the emergent culture and behaviour matches desired culture and behaviour
- Set up alternative models e.g.. digital adoption teams, client experience SWAT teams. Develop and deploy rapid, agile tech and change management delivery methods

Business Benefit:

Build the Right Talent and Organization to Deliver For The Client and Support Strategy Execution

Focus, Focus, Focus



Traditional Business Models: Transforming, Evolving/Disappearing

Redesign Operating Models For a Digital Paradigm

Traditional design adds limited value in the context of digital redesign. Consider what digital verification, ETE control process redesign and inline evidence based compliance could do for a firm

Assist Leaders To Embrace ETE Redesign

Execution on an ETE basis does not easily align with functional, channel, product and departmental agendas. Align leaders so that they can see the benefits of digital

Plan For and Realize Efficiency and Effectiveness Gains

Effectiveness and efficiency can be significantly improved with a focus on automated and real time verification, controls and compliance

Help Execute Culture Change

Analytics and insight change the dialogue and create the transparency and urgency to rethink ETE processes

Business Benefit:

Redesign

**Bring Digital
Capability, Analytics,
Client Experience and
Operational
Excellence Together**

Digital Process Measurement, Management & Transformation

Apply Operational Analytics To Digitally Measure and Manage Processes to Create Insight to Change The Dialogue

Thoughtful Redesign Around The Client Journey With a Focus Upon Delivering The Right ETE Client Experience

Blend Technology Leadership with Pragmatic Business Savvy Street Smarts

Retain Clients, Grow Revenue and Protect the Core Through Digital Transformation

Create Operational Leverage

Acknowledgment

The Spectacular Photos Are From www.inlightofnature.com

In Light of Nature
Fine Art Nature Photography
www.inlightofnature.com

