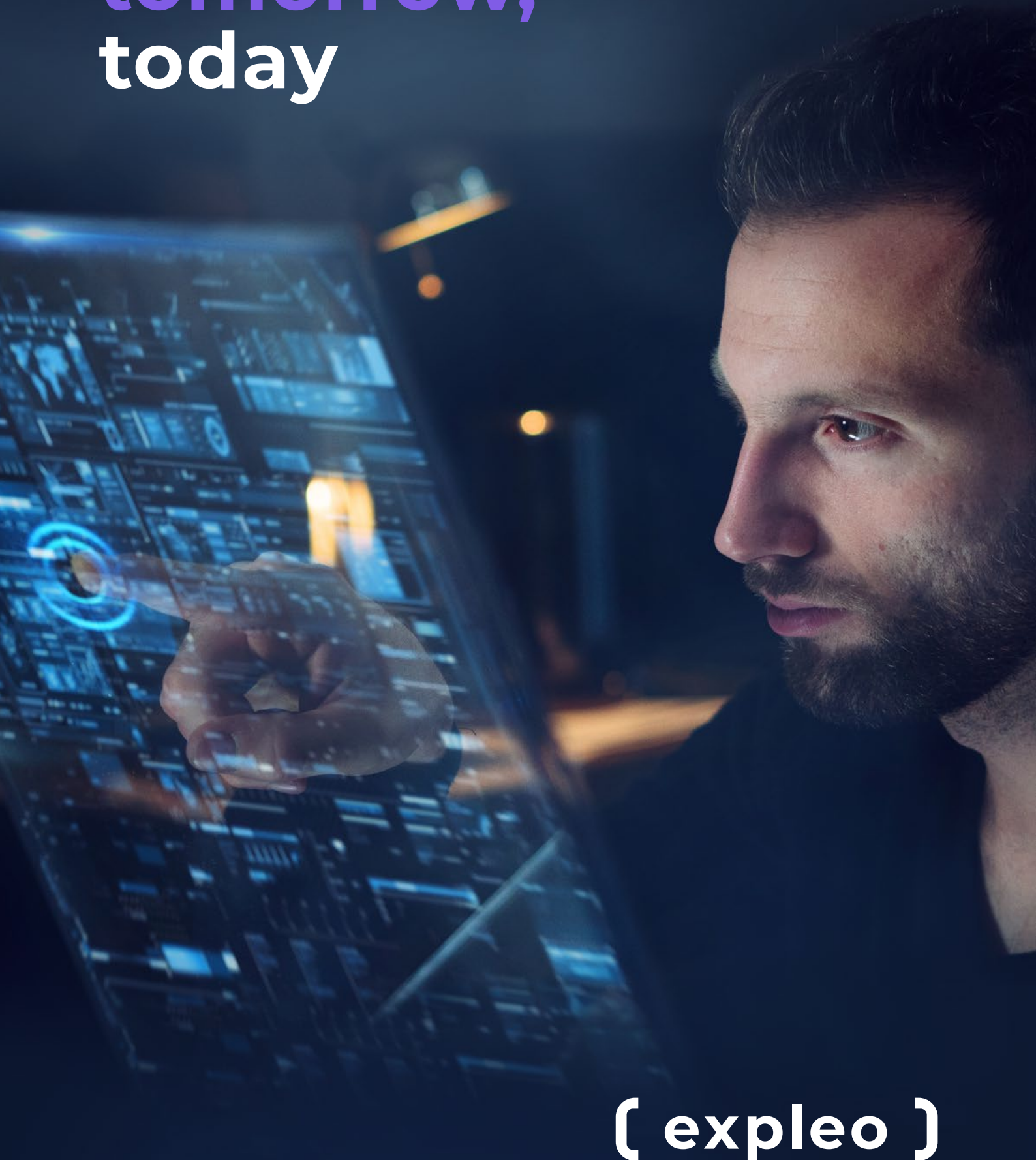# Preparing for tomorrow, today

(expleo)

Adjusting to meet (new demands) across central functions

Transforming the customer experience is essential to driving customer engagement and take-up. Digitising end-to-end customer journeys is a well-established approach to that transformation whereby technology can de-risk the journeys through the use of automation to limit the risk of human error. Technology can provide operational feedback loops: helping the business functions to further monitor, assure and improve the customer journey. Lastly technology can help reduce the complexity of serving customer demands.

Empowering central functions in this way can positively affect operational excellence: making the customer experience increasingly more positive and providing a distinct competitive advantage by increasing customer engagement and penetration. But how exactly do you do it successfully?

We know that responding and adapting to change from both a technological and regulatory perspective is at the top of your agenda and that a rapidly changing sector means the pressure is on to change quickly. Shifting consumer expectations, proliferating new technology and the threat of more nimble FinTech start-ups and digital-native challenger banks are all piling on the pressure. All change is inherently risky. However if you can successfully assess and handle the risks posed by this transformation, and keep up with the ever-increasing pace of change, you have the opportunity to maximise business value.

Harnessing the power of insight

Technology and automation can derisk the customer journey by reducing human error and the complexity in addressing your customers' needs.

However, this is only part of the picture. Improving the customer experience and overcoming any pain points requires an accurate and detailed map of the end-to-end customer journey; this should be regularly validated by representatives of both the customer and internal operations, with insights fed back into an improved map.

Whenever changes to your services are implemented or new business propositions are brought to market, it is important to evaluate and understand the resulting effects.

Our behaviourdriven test models can provide insights into customer behaviour, usage patterns and preferences at every stage of their journey. Our processes enable you to accurately determine whether the service is aligned to customers' needs.

Through crowdsourced testing with real customers or close proxies you are able to see how effective these test models are; whether they achieve the goal of embedding quality from the start and whether they reduce friction in the change process. By embedding continuous Quality Assurance (QA) at every stage your bank will be able to move faster on its transformation journey – with confidence in accruing value along the way and achieving the planned business and customer outcomes.

(Agile enough) to keep pace?

Adapting quickly to changing conditions requires new systems and ways of working that help you move rapidly and cost effectively. But how do you transform without disruption? And what is the best way to turn change into a competitive advantage?

The Waterfall model and reliance on manual testing can waste valuable time and cause significant bottlenecks. So how does transitioning to an iterative process, with regular feedback loops, help transform your bank?

Transforming business value through agility

The successful adoption of Agile models can deliver tremendous advantages, including faster time to market, greater business value, improved customer engagement and product/service quality.

They offer businesses an excellent framework for defining, prioritising and realising business value.

Making value to the business central to the change agenda drives individual ownership and commitment to the value outcome; it connects change teams to the priorities of the business and its customers. Success is based on value delivered, not work done, or assets created, by the teams.

We've partnered with leading banking organisations to implement a "User Stories to Value" operating model, applying attributes of:

- LEAN
- DevOps
- Spotify
- SAFe
- LeSS
- Management 3.0

That experience has helped us identify some common challenges and effective solutions.

Operating models

Agile transformation establishes fit for purpose operating models, oriented around value. As concepts of value, as well as priorities, shift over time (driven by market and demographic forces) so too will models need to evolve and adapt. This means new team structures, new ways of working staffed by people with the right mindset; a mindset that embraces change and a culture of continuous innovation. All of this can mean a painful and uncomfortable transition for the impacted individuals.

Culture and mindset

It is common for change initiatives to come up against resistance at several levels within an organisation. Changing mindsets and behaviours means taking radical action, whilst acknowledging and mitigating the associated risks.

Flattening management hierarchies requires courage, but can be highly effective in creating cohesive and highly connected teams; it removes the inclination to recreate old territorial boundaries and fiefdoms under new labels.

Experienced change agents, familiar with typical pitfalls and behavioural "anti-patterns", can provide timely guidance and reassurance along the change journey. We have mobilised "T-shaped" coaches, to partner with client leaders; together they prove highly effective at helping teams understand the "why" of the change and at driving wholehearted adoption.

Team structures, ways of working

Organisations can struggle to get the right representation of the business and customer domains within delivery teams, particularly where change is delivered by a separate technology organisation.

Agile transformation initiatives can stand or fall based on the level of engagement across the change eco-system. The product owner role is pivotal in this regard; it needs to reflect a strong awareness of the eco-system roles and functions that can impact value to the customer, and to the business. For example, issues can arise where business and IT operational teams are underestimated or overlooked, ultimately impacting the customer experience, operational and support effort and overheads.

Product owners need to ensure that user stories, and their acceptance criteria, reflect the domains that directly and indirectly impact the customer.

Architecture and infrastructure

In our experience, technical capability (assets, tools, infrastructure, skills) can either significantly frustrate or liberate value potential.

Organisations that commit to DevOps as a delivery model, often underestimate the investment required in operational skills and tooling. The right partner can kick start the process by developing a transformation roadmap, tailored to your appetite for investment and risk. A clear set of value-based options, aligned to your business and technology stack, will support your decision making.

A key challenge for IT departments is demonstrating to the business that they can provide the technology agility that supports their ambitions.

Market pressures can be significant on the business to pursue "shadow IT" when their in-house technology teams are slow to respond. An effective approach can be a multi-speed technology roadmap that accelerates agility where it matters most to the business. We can help shape and optimise the journey to value for IT.

Take a (forward-looking) approach

In order to achieve the full benefits of any transformation it is more important than ever to ensure you have the right people in the right roles. But how? With changing roles and departments, and new entrants joining the business, how do you ensure you capture and retain the critical knowledge and process expertise that is so vital for harnessing the power of digital technologies? How do you implement new and improved ways of working that provide a competitive advantage, whilst creating the strongest possible foundation to build on?

Adapting to needs along the way

A target operating model is crucial to achieving your vision for growth and transformation. It places your bank in a better position to scaleup agility, for faster innovation and continuing competitiveness at a lower operating cost – delivering value for the bank as a whole.

Abandoning traditional hierarchies for a more agile operating model certainly pays off. By fostering continuous learning, applying lean-agile patterns can empower small teams lower down in the organisation to make decisions, and can streamline processes so teams in different parts of the organisation work more closely together. At the same time, lean-agile patterns can ensure high-performing teams have the talent and capability to drive projects and deliver innovation faster.

Furthermore, automating operations and changing to agile development techniques – with frequent testing against requirements – enables continuous refinement. This facilitates a far faster time-to-market, so your customers see improvements far more quickly.

However, it is important to remember that agility is all about learning on the go. So, the end product may be very different from the one envisaged at the outset, and sometimes a fast and decisive shift in project strategy will be required. But whatever the outcomes, the ongoing testing process will ensure that, ultimately, the resulting product will meet your requirements.

Overcoming barriers in digital

The highest probability of success comes from ensuring your bank has the right digital expertise and skills to meet the demands of your transformation strategy. A skills gap analysis of key competencies will enable you to see where your strengths lie, and where you need to prioritise skills improvement (or acquisition) to implement your strategies. With a clearer understanding of the skills which may be relevant moving forward, you will also be equipped to future-proof your bank.

To keep skills and competencies up-to-date, and to upskill when needed, requires capability to execute training, coaching and mentoring. This will ensure your teams are working at their optimum, to deliver change faster and take full advantage of the opportunities ahead.

Smoother (integration)

Delivering a market-leading customer experience means investing in industry-leading platforms, technologies and services. These may range from API enabled channels that leverage Fin-Tech and exploit Open Banking, to software development processes that utilise hybrid cloud and Software-as-a-Service to achieve cost and agility improvements. The aim is always the same: to transform the banking experience for your customers and to drive rich, actionable insights that enhance growth and deliver new business for you.

But of course, a new digital architecture designed to deliver an enriched customer experience must not only be built around business needs and aims. Where the new digital architecture needs to integrate with legacy systems, this can be a significant challenge, fraught with risk, and must not be underestimated.

Integrating new technology into your legacy applications naturally carries risk. If the integration is not completed with quality practices in place (for example, is run by a non-specialist third party), it can leave you with unforeseen defects or issues in production. This is common when poor modelling of the end state or 'true to life' business scenarios or events has occurred.

Secondly there are challenges with data volumes and complexity. For example, there are greater challenges around handling and managing customer data in line with new GDPR regulations. This has the potential for huge reputational damage, and fines of up to € 20 million or 4 % of global annual turnover, even if a data breach stems from systems outside your direct control.

The capability to execute change well

Balancing requirements for a positive customer experience with avoidance of increased risk requires a target data/data architecting model that embeds continuous quality from the outset. It must make better use of your enterprise data, driving meaningful insights, as well as meet all statutory and regulatory requirements.

Ongoing mapping of your data risk landscape ensures confidence and enables faster innovation when proceeding with your change programme. The result is better outcomes for your customers and your bank.

Continuous quality embedded

A proactive, fast-acting defect detection mechanism is an inherent component of our solution. It identifies and mitigates risk in your IT-led change before it can affect ustomers – ensuring data is fit forpurpose and fully compliant with regulations. Because the mechanism is validated, improved and extended based on findings and analysis from each iteration, it continuously evolves along with your customer base.

The information it provides will enable you to transform not only your customer experience – with better engagement and retention – but also your operational effectiveness.

(€ 20 m)

The fines to your bank that could occur, even if a data breach stems from systems outside your direct control.

Think bold,
act reliable

Our aim at Expleo is to help you quickly bring strategies to life. We drive the transformation of your value streams while minimising the complexity and disruption of change.

We leverage our extensive hands-on experience in the banking sector and combine our world-leading capabilities in Business Agility, Continuous Quality and Management Consultancy – to create more fulfilling customer experiences that position you as 'the bank of the future'.

Quality has been our driving force year after year. We embed continuous quality to drive digitalisation and innovation. Combined, they achieve excellence in execution and help to deliver greater cost-efficiency, by identifying and mitigating business risk at every step. Because we're the experts at shaping agile cultures across entire organisations, and at fully-equipping teams for the path ahead, we'll embed quality in your own DNA too.

For further information, or if you have any other questions, please write an email to info@expleogroup.com

(expleo)