

4 Steps to Becoming a Financial Services Digital Disruptor

Accelerating enterprise-grade digital business at your financial institution.

Imagine your bank is a top digital disruptor:

- » Best-in-class customer engagement connects and captivates during every interaction, raising retention rates to 90%¹.
- » Immersive, personalized online and mobile channel experiences drive 21% revenue increase through targeted upselling and packaged offerings.
- » Gamified loyalty programs around personal finances and wealth management give you a 300% lift from participating customers.
- » Streamlined digital business processes have lowered cost per customer by more than 8%.

To make this happen, you'll deliver content in a timely and contextualized manner that allows customers and partners to make smarter decisions. Your corporate culture will be passionate about continuously delivering exciting digital engagement and innovative products and services. Most importantly, your business will reach its goal of becoming the custodian of your clients' trust by understanding – and anticipating – their individual aspirations.

Digital Consumers and Market Disruptors

The disaggregation and dismantling of mainstream financial institutions by digital disruptors has taken on significant momentum both in terms of venture interest and investment. Financial services digital disruptors are making traditional financial services firms obsolete and building an estimated \$75-trillion, high-growth 2014 shadow banking market². Their social media strategy positions them to capture a significant share of the burgeoning millennials banking market over the next 10 years.

Digital disruptors are so successful because they directly appeal to customers' desire for an immersive experience. Increasingly fickle customers are demanding access to personal, business, and proprietary financial information from any mobile device. Digital banking requires ready availability of aggregated content that supports not just bank account balance inquiries, but also portfolio analytics, real-time market alerts, and advisor interactions.

In response, financial services institutions are attempting to leverage modern and disruptive technologies in order to enable new business models, expand reach, and build brand loyalty. With the survival of the enterprise at stake, inaction is no longer an option.

THINK SMART. ACT FAST. FLEX YOUR BUSINESS.

Why Is Digital So Difficult?

Many financial institutions continue to struggle with understanding, defining, and addressing the nexus of content, commerce, mobile, cloud, big data, and social digital solutions. Why?

- » Niche disruptors exert unique competitive pressures on individual business units, spawning digital strategies that are independent, fragmented, and siloed.
- » Digital initiatives impact not just technology, but also reshape business processes and employee behavior.
- » New digital paradigms can be difficult to overlay on legacy ecosystems.
- » High-demand skills are hard to attract and retain.

Consequently, building a truly digital business goes beyond implementing the latest digital technology. It requires establishing and sustaining a fundamentally new customer-centric value proposition – one that the entire organization embraces and promotes. A digital business requires speed and agility, such as fast-paced incubation of ideas, fail-fast innovation, iterative learning, and an adaptive digital architecture.

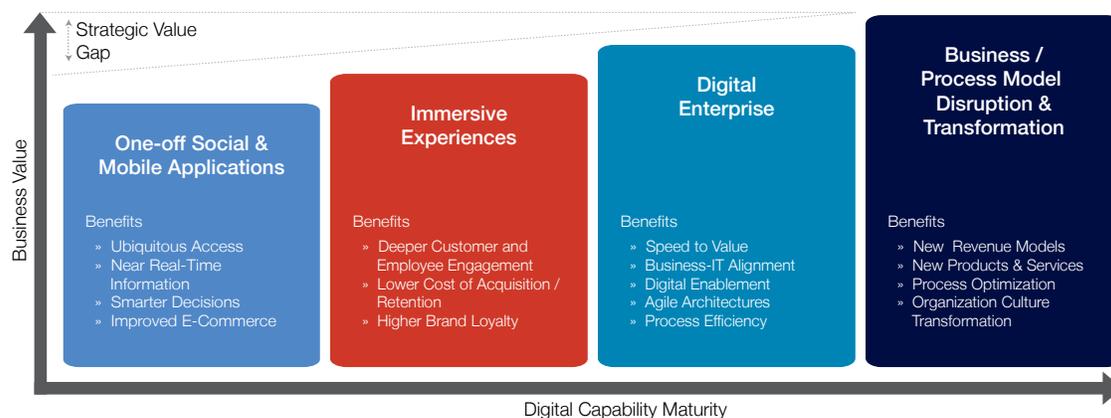
To transform into a successful digital business, leadership must accept where the enterprise is on the Digital Maturity Model and pinpoint where its future state should be (see Figure 1). From there, you can envision a supporting, integrated and flexible future state architecture that leverages the most appropriate technologies, reduces the proliferation of one-off digital solutions, and maximizes your ROI.

Benefits of Becoming a Digital Enterprise

Becoming a digital business means enabling new business models, expanding reach, building brand loyalty, and leveraging modern and disruptive technologies. It will allow your company to deliver content in a timely and contextualized manner so customers and partners can make more informed decisions and drive smart commerce. In addition, it results in more excited, motivated, and engaged customers and prospects. Other benefits of becoming a digital business include the following:

- » A dramatic increase in customer retention rates as a result of connecting, engaging and captivating customers during every interaction
- » Increased revenues via targeted upselling, cross-selling, and packaged offerings delivering an immersive, personalized online and mobile channel experience
- » Expanded market share by attracting new clients using innovative products and services and leveraging the power of social media
- » Enhanced loyalty and customer engagement by leveraging game mechanics.
- » Improved efficiency and lower cost per customer through streamlined digital business processes

Figure 1: Digital Maturity Model



The Digital Maturity Model will help your company understand its current digital capabilities and competencies and envision a digital future that is tailored to your vision and goals.

Figure 2: Program Stages



Developing and implementing an enterprise-grade digital business program involves four distinct stages.

Accelerating Your Enterprise-Grade Digital Business Program

By leveraging a comprehensive and agile approach it is possible to jump-start your digital enterprise innovation program (see Figure 2).

- 1. Digital Vision** – The first and most critical step in accelerating an enterprise digital business program is to define a clear and compelling digital vision that is aligned with your business goals, reflects your brand, and resonates with customers and stakeholders. As part of this stage, your organization needs to articulate business objectives, ascertain market dynamics and trends, and prioritize areas of digital enablement and enhancement. The end result is a digital enterprise vision document, which contains a clear statement of the firm’s digital business goals and objectives mapped to business growth strategies. If done in an agile fashion, the digital strategy can be completed in 3 – 4 weeks.
- 2. Digital Architecture** – The second phase is to define a flexible, future state architecture vision that describes how customer experience, content, social, mobile, cloud, big data, and gamification technologies and solutions can be leveraged to realize the digital business vision. The new model of customer engagement will be the basis for the initial proof-of- concept. Through piloting digital technologies, your company can evolve its

process, user experience, and operational gaps, and then define IT requirements around critical digital capabilities. IT gains better knowledge of technology interdependencies, as well as resourcing hurdles. The business can begin to touch and feel the digital future state. This is the time to make smart adjustments to the digital vision and to secure executive commitment for the digital vision and future state architecture. This phase typically spans 6 – 8 weeks.

- 3. Journey Map** – Next your organization must develop a digital business transformation roadmap, which is an actionable sequencing of programs and projects aligned to the digital goals and priorities. Learnings from the Digital Architecture stage are key inputs to shaping the roadmap. This Journey Map phase can usually be completed in 2 – 4 weeks.
- 4. Digital Excellence** – During this stage a continuous enterprise digital business program and governance framework is developed. This includes a program charter, key roles and responsibilities, and a digital business scorecard to measure the ongoing success of the program. IT defines a resourcing model to ensure maximum leverage of high-demand, scarce, expert resources. Creative programs to stimulate innovative ideas from the full organization are also defined and implemented, building a culture of sustained, innovative digital business throughout the enterprise. This final phase of the program is an ongoing process that adapts and adjusts to changing trends, priorities, and organizational learning.

A Digital Vision blends perspectives from marketing, business, and IT leaders. Convening a workshop of key personnel to explore digital disruption and lessons learned from other industries will get everyone using common definitions. Key participants should include members of the leadership team, line-of-business functional heads, and IT leaders. This team becomes the crucible for evaluating the viability of innovative ideas, and creating an actionable digital strategy and roadmap that’s tailored to your organization.

Early stage pilot(s) and focused proof-of-concept projects are of critical importance, since they reassure key stakeholders that digital is possible in your enterprise and increase the success rate of roadmap initiatives.

The NTT DATA Difference

As one of the largest and most experienced global integrators, NTT DATA understands your industry, business challenges, and the technology landscape, to help accelerate your digital transformation. NTT DATA offers:

- » Deep expertise integrating digital technologies such as content management, e-commerce, mobile, cloud, big data, and social in order to produce business outcomes.
- » A broad array of proven enterprise-grade digital business and innovation solutions from strategy, to immersive user experience design, content management, application development and quality assurance.
- » A comprehensive and flexible framework based on the Digital Maturity Model and a well-defined program that leverages NTT DATA's Surveyor strategic planning and blueprinting framework.
- » Cross-functional workshops applying solution-focused principles and storyboarding of a domain-specific immersive experience to ignite your digital thinking.
- » High value digital use cases, proof-of-concepts, and prototyping that showcases the value of digital to the enterprise.

NTT DATA can minimize risk and optimize your chances for success to accelerate your digital enterprise innovation program. NTT DATA wants to be your trusted digital innovation partner.

Accelerating your digital enterprise innovation program is not a pipedream for the future. Now is the time to make it a reality.

¹“Customer Engagement: From Interactions to Relationships,” Aberdeen Group, March, 2015

²“Global Shadow Banking Monitoring Report 2014,” Financial Stability Board, 2014

About NTT DATA

NTT DATA is a leading IT services provider and global innovation partner with approximately 75,000 professionals based in more than 40 countries. NTT DATA emphasizes long-term commitment and combines global reach and local intimacy to provide premier professional services, including consulting, application services, business process and IT outsourcing, and cloud-based solutions. We're part of NTT Group, one of the world's largest technology services companies, generating more than \$100 billion in annual revenues and partner to 80% of the Fortune 100. Visit www.nttdata.com/americas to learn how our consultants, projects, managed services, and outsourcing engagements deliver value for a wide range of businesses and government agencies.

Revitalizing an Investment Management Platform

NTT DATA recently assisted a top 10 financial services institution to develop a strategic 3-year roadmap to revitalize its investment management platform by establishing a scalable master data foundation, rationalizing market data feeds, and consolidating and integrating workflows. In addition, NTT DATA helped to develop a modern and advisor-friendly user experience vision and concept for the client's next-generation investment management solution. The result – improved advisor retention and 15% savings in overall IT spend.

Author Biography



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Kumar Subramaniam is a Senior Director within NTT DATA's Digital Practice and leads Digital Strategy. He has been with the firm for 19+ years and brings with him many years of experience in IT consulting with focus on Digital Strategy and Transformation, Enterprise Architecture, Application Portfolio Rationalization, Legacy Modernization, Solution Architecture, Product/ Vendor Evaluation and Innovation Management. Kumar is an experienced TOGAF certified Enterprise Architect (EA) focused on helping the Office of the CIO/CTO develop digital transformation plans and roadmaps while continuing to build long-term “trusted partner” relationships.