



The Future of Financial Services in the Digital Revolution

How financial services companies can create a thriving digital culture

Introduction

The financial services industry is in the midst of a sweeping transformation. Customers and clients are more informed and more digitally savvy, with ever-increasing expectations of a personalised experience. New digital competitors are emerging who are rapidly changing the market landscape. In fact, the PWC Banking 2020 Survey found that 55% of bank executives view non-traditional players as a threat to traditional institutions and, even more worrying, a recent Accenture study found that 40% of 18 - 34-year-olds would switch to Google if it launched a bank.

To retain and grow revenues and defend against new competitors, the financial services sector must continue to evolve with new services and digital channels. Businesses need to choose what their approach to change will be – whether to lead the charge or be ready to follow. Staying the same is not an option.

This book looks at how financial services firms can create a culture that takes advantage of market disruptors – and even become digital disruptors themselves.

Digital disruption causes many firms to go into culture shock. The leaders take advantage of this by creating a thriving digital culture that empowers their people and enables them to become disruptors in their own right.

(Accenture)

Key Factors that Inhibit a Culture of Change

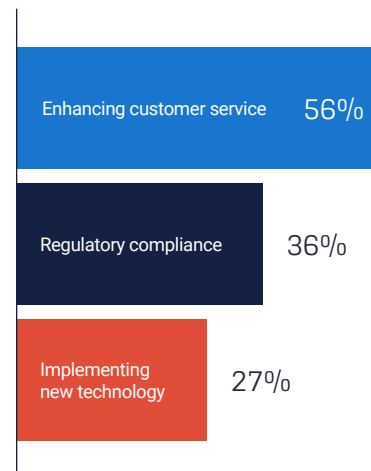
The financial services sector is steeped in tradition, a world where stability is key. If asked to highlight innovators and market disruptors, most would start their list with the likes of Uber, Amazon and Google, and it is very telling that financial businesses would probably not make most people's shortlist. Culture plays a big part in this. When you think of the companies mentioned above you see a culture of innovation, ambition and a passion for change, characteristics not naturally associated with the financial services sector as a whole.

The second inhibitor is the level of diversity and geographic distribution: how do you connect the employees in branch offices with executives in the company headquarters? This dispersion creates silos, and with silos come subcultures. The organization becomes fragmented, driven by a set of "uncommon values."

Finally, the pressure of regulatory change is relentless.

According to Accenture, many financial services businesses see regulatory change requirements alone consuming 60-80% of their change spend. "These changes are mandatory, deadline-driven and externally supervised," draining the resources that might otherwise go to more innovative projects.

Top 3 Investment Priorities for Financial Institutions



Banks universally agree that they are hindered from addressing these priorities by financial, talent, technology and organizational constraints.

(PWC Banking 2020 Survey)

Creating a Truly Digital Culture

To enable innovation, financial services companies must throw off these constraints, managing themselves in a more agile manner in to capitalize on market opportunities and address unexpected challenges.

In this book we'll look at six strategies we believe can help your company create a truly digital culture, embrace disruption and unleash innovation.

- 1 Build a Sense of Community
- 2 Create a Collaborative Culture
- 3 Bridging the Generation Gaps
- 4 Obtain an Information Advantage
- 5 Become “Fit for Change”
- 6 Attract New Talent



1 Build a Sense of Community

To embrace change you need everyone to move in the same direction, to share the same vision and the same values.



Only 7% of employees today fully understand their company's business strategies and what's expected of them.

R.Kaplan and D.Norton

We need to find ways to connect every person, drive employee engagement and break down the silos and subcultures. We believe the answer lies in new ways of working, communicating and collaborating.

Create and promote a sense of community where behaviors and culture can be nurtured. This enables strategic alignment, and inspires agility, ideation and thought leadership. Best of all, it provides a springboard for the expression of individual and collective talent.

“Having collaboration in our business gives people the opportunity to network, to reach out, to share their expertise, to grow their own network... that’s incredibly empowering for people.”

Dan Thomas, Enterprise Community Manager
Lloyds Banking Group.

2 Create a Collaborative Culture

Successful transformations integrate and embed the vision and values of the company into the way people work together to create a dynamic and cohesive culture, one that gives people a sense of identity.

That process is best driven by a single hub for collaboration where employees are able to share information, tackle projects together and stay in touch with coworkers and activities across the company.

It becomes a culture catalyst that lays the foundation for engagement and shared values.



Employees save 35% of search time using an interactive intranet.

McKinsey Global Institute

Regardless of their physical location or function, everyone comes to feel that they are part of one organization, engaged in a single marketplace of ideas, sharing their knowledge and working together in a way that's fun, innovative, interesting and reflects the company culture.

The single largest contribution to innovation growth comes from collaboration. Any technology that helps people work better together is worth investing in.

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Bridging the Generation Gaps

Many companies employ a broad range of age groups, with four generations (baby boomers, Gen X, Millennials, Gen Z) working side by side. Age diversity should be viewed as an opportunity, not a challenge.

It's a common belief that older workers have difficulty adapting to new technologies, but a recent survey commissioned by Dropbox suggests the opposite. After questioning more than 4,000 information workers, the researchers found those aged 55+ use at least five different forms of technology every week. It also found that older workers tend not to be stressed about using technology in the workplace. What's even more surprising is 36% of 18-34 year olds do.

So, judging by the numbers, financial services companies can introduce new technologies to the older workforce more readily.



Building a Memory Bank

As baby boomers retire, much of their institutional knowledge typically goes with them. This is a huge loss, impacting consistency, efficiency and security.

Digital solutions have been shown to prevent this kind of “brain drain” and help preserve companies’ precious intellectual capital. Technologies such as interactive intranets can serve not only as a collaboration hub, but also a corporate memory, capturing information and making it accessible to current and future employees.

Many of the world’s leading financial services firms are already using collaboration software to reduce the generational divide. It’s about providing new ways of working that ensure information is shared top down, bottom up and across the organization. A collaboration hub creates and promotes a sense of community in the workplace, no matter the employee’s demographic or geography. This ultimately enables financial services businesses to:

- Unite and engage a diverse and fragmented workforce
- Attract AND retain millennials with the software and tools they know and expect
- Accelerate the company’s strategic agenda



4 Obtain an Information Advantage

Interactive intranets replace information silos with living knowledge networks, where collective knowledge is captured, shared and remembered. They connect people, information and communities across silos, functions and hierarchies to surface and spread knowledge via sharing, commenting, liking and @mentioning. With smart, personalized search (content, people and places) for information discovery and higher engagement and adoption, the best interactive intranets amplify the network. Greater institutional knowledge, in turn, fuels faster innovation and better customer experiences.

“The winners of 2020 will develop a much deeper, holistic understanding of their customers. They will need to acquire, integrate and analyze multiple sources of internal and external data. They will be able to understand their customers’ needs, and be present with a relevant solution at the time of need.

Getting this right will be a gamechanger. Fast movers will create competitive advantage in every area of the bank – customer experience, underwriting and pricing, operations, risk management and financial/cost management.”

PWC - Retail Banking 2020

5 Become “Fit for Change”

In the last decade, the financial services world has focused on being “lean”; the key dimensions of leanness were process efficiency and performance management. The kind of change financial services businesses face today is more demanding, transformational and faster-paced than ever. This kind of change requires a new approach with new skills, processes and ways of working. To take advantage of digital innovation and a more fluid and flexible workforce, companies need to become agile.

With interactive intranets, users don’t just consume content, they come together to create it, share best practices, answer each other’s questions, have discussions, make decisions and complete tasks collectively. They can do practically everything they need to do to get their jobs done, in one central environment. The result is a cohesive collaboration experience where teams can work together with minimal friction and misalignment. When this happens, the results can be remarkable.

“Agile delivery will require colleagues to flex in and out of different teams and roles, meaning that there will need to be a lot more informal training and upskilling. For agile change, companies must support the development of existing talent whilst also bringing in experienced talent from the marketplace.

They must create better teams that can work closely together with minimal friction and misalignment.”

Accenture – Time To Join The Revolution

6

Attract New Talent

Financial institutions aren't always thought of as magnets for leading innovators, so you must work harder to entice different types of people that will fill the creative gap.

Your organizational culture can play a huge role in attracting exceptional talent. If you get the culture right, it can go long way toward building your brand as a destination for the best and brightest.

“Banks need a new type of talent and a new way of managing it. They need to attract people who think big and who challenge the status quo, people who are obsessed with the customer and not with the process. Banks need to enable them to succeed.”

Accenture - Time To Join The Revolution



“We believe that the winners in 2020 will not only execute relentlessly against today’s imperatives, but will also innovate and transform themselves to prepare for the future. This future will require institutions to be agile and open, ready to explore different options in an uncertain world.”

PWC - Retail Banking 2020

“Those who invest in people innovation today will unleash human potential and creativity, and by evolving their corporate structure, fill in a missing piece in the digital revolution.”

Accenture - Time To Join The Revolution

Jive is the leading provider of modern communication and collaboration solutions. We help organizations to unite cultures, attract and retain talent, break down geographic and divisional barriers and drive greater productivity through more effective collaboration.

Learn how Jive can help you create a thriving culture of change and succeed in an age of digital transformation.

Contact us at **877-495-3700**
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