

Design – The Differentiator in Digital Transformation

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Author – Dr. Anbu Rathinavel, Chief Design Officer, Intellect Design Arena Ltd.

The forefront of digital transformation for banks moves from disjointed digital activities to holistic solutions through design thinking... In today's banking warscape, General George Patton's words, "Lead, follow, or get out of the way," ring out loud and clear. While several traditional banks and established financial institutions are busy figuring out where they stand with regard to that phrase, they must remember that neither are they insulated from emerging technology trends nor do they have the luxury to wait and watch.



While the writing on the wall — that customers are of the view that a visit to bank branches for basic transactions is an inconvenience — is clear, it makes them more likely to move to on-demand ways to bank.

Even as previously unimaginable solutions to these problems are now available thanks to 'digital' technology, financial institutions the world over are grappling with the challenges of increasing revenue, on the one hand, and reducing costs, on the other. Impatient end-users in search of the 'banking experience' and pressure from competitors are only adding fuel to the raging fire. This makes design so much more important when it comes to creating state-of-the-art technology that can help banks serve their new-age customers better via digital channels and at the same time remain future-focused.

Design thinking puts the end-user and his experience at the centre of the design

In a nutshell, it is how the solution addresses the business viability or how mystery is reduced to an algorithm or how patterns are observed and blind spots in end-user environment are unearthed. There are three major pillars in a banking business — business, operations, and technology. Most of the time leaders of these three verticals have different opinions — often a disjointed view — on the bank's strategies; they pursue different directions to accomplish their goals, forgetting the most important stakeholder — the customer.

This increases the complexity of operations, which leads to an increase in the cost-per-service of the customer, thus impacting the customer service. Design thinking enables the three internal groups to come together by refocusing attention on the end-user. It enables all three opinion makers to help co-create next-gen solutions for global customers through simplifications and incremental modifications.

Not what, but why

The data-driven approach to problem solving will lead one to the extent of identifying the source of the problem, but to understand why the problem exists, design thinking is the natural choice. The power of design thinking comes from focusing on what the right question is, rather than what the right answer is. This approach is story-driven and deals with feelings rather than facts. At the centre of design thinking is the end-user experience, which requires designers to put on the empathy hat.

Technology is the key

Growth being the universal priority, technology can be a major facilitator. At a time when the lines between banks and technology companies continue to blur, improved customer experience will continue to be the game changer. Banks will continue to work at connecting their varied channels to provide the elusive omni-channel experience and improve customer interaction. The mobile explosion and electronic banking innovations will continue, especially in areas of providing personalised support and streamlining cumbersome processes with the use of smarter device capabilities for security. As the banking industry is poised at the cusp of the digital revolution, technology adoption will give banks the competitive advantage to attract new customers, reduce costs, develop new propositions and business models, and explore customer value to its maximum.

The impact of adapting design thinking stems from the fact that even a piecemeal approach is a good start for institutions that are cautious on adopting a big-bang approach and would rather opt for the staged approach. Applying design thinking tools will accelerate innovative solutions for the digital agenda in the financial technology space, especially tools such as observing patterns in customer place or user journey to chart out the experience the user will go through, or the persona of the end-user. With the increasing demand from end-users for a 'unique banking experience' that feeds their desire for a technology high and stiff competition from non-banking institutions that are taking away key banking transactions, remaining idle or settling for disjointed solutions are recipes for disaster.