

Why Design Matters

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Design is present in every aspect of our lives. For instance, when you look at a website, it takes you 1/20th of a second to decide if you like 'how it looks'. This perception decides if you trust the brand, like the brand or would like to buy the brand's product. Design according to me, talks to consumers like you and me; it helps create an image, change perceptions if need be, and creates the unstated experience for consumers.

What is design thinking?

In business, the shift in the thinking process of the designer, the business manager and most importantly how you use technology to connect business and operation is called design thinking. Design thinking is all about end users and what they will experience through the products. In a nutshell, it is how you address the business viability through the solution offered or how you reduce a mystery to an algorithm or how you observe patterns to unearth blind spots in end user environment.

Today, financial institutions are grappling with the challenges of increasing revenue on one hand, and cost reduction on the other, while 'digital' provides new and previously unimaginable solutions through technology. Therefore, design becomes an important element in creating state-of-the-art technology that can help banks serve their new-age customers better via digital. For instance, the forefront of digital transformation for banks and insurances companies moves from disjointed digital activities to holistic digital outcomes through design thinking.

What does design thinking unlock?

There are three sets of people in the banking business - the business people, operations people, and technology people. Most of the time these three groups have different opinions, and often not a cohesive view on what the bank requires; they are looking at different directions to accomplish their goals, but the really important stakeholder is the end-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. All three opinion makers are co-creating next-generation solutions for global customers through simplifications and incremental modifications.

The power of design thinking comes from focusing on: what is the right question, rather than what is the right answer, moving away from being data driven to story driven and dealing with feelings than facts. The centre of design thinking is the end user experience - which requires all design thinkers to wear the empathy hat.

How design can play a vital role in application development in the digital era

We have to take a more holistic approach; business, operations and technology are looked into at the same time during design phase to achieve the Digital 360-degree goal. When you look at this from a customer's perspective, the current on-going power shift dictates the changes in the way banks conduct their business with them in the centre. It is becoming essential for banks to integrate Internet, branch network, and mobile banking channels in order to attract and retain customers. Changing customer behaviour and preferences are making multichannel integration as well as customer dialogue and experience management increasingly important. This leads to a number of imperatives for banks. The availability of innovative, technology-led banking services is a top priority for the banking customer of the future, in order to fulfil their demand for simplicity, self-control, mobility, personalised service, and consistency of customer experience across all channels

Role of design thinking for the CIOs and their expectations

Disruptive forces are driving profound and rapid change throughout the banking sector. Financial institutions are making business and technology investments to change their business models to comply with new regulatory requirements. Meanwhile, customers are becoming increasingly sophisticated in their interactions with banks. Digital and self-service channels have empowered them to interact with banks in newer ways. Virtual banking is now an industry standard where mobile, social, and digital offering are table stakes for attracting new customers and retaining existing ones. Innovators like Amazon and Apple have raised the bar, now customers expect and demand the same level of user experience from their bank as well.

Banks are also enhancing their big data technology capability to successfully leverage their huge database of customer data and are increasingly investing into analytics to understand customers' needs, improve risk management and compliance, and boost efficiency. Perhaps more important, as banks diversify their offerings beyond core banking services (e.g. loans, mortgages, transaction services), customers expect that all bank offerings will be part of a connected whole. In other words, they expect that when one line of business captures data, it shares it throughout the organisation. Customers don't want to be asked for the same information more than once and conversely don't want to have to make the same request more than once.

The pace of this change will only increase. The time to act is now. Visionary financial institutions are already taking proactive steps to fundamentally reimagine customer engagement and the systems and processes that enable it. Institutions not actively looking for ways to better engage the connected customer are leaving themselves open to aggressive competition.

Way forward for Design Thinking in banking industry

Growth being the Universal priority, technology will change many things. 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 together, to provide the elusive omni-channel experience, improving customer interaction. The explosion of mobile and electronic banking innovations will

continue, especially in areas of providing more personalised support and streamlining of cumbersome processes with the use of smarter device capabilities for security (such as Touch ID and location-based intelligence). The banking industry is at the cusp of a digital revolution, technology adoption will give banks a competitive advantage to attract new customers, lower costs, develop new propositions and business models and explore customer value to its maximum.

Given these business complexities, design thinking is the only viable means to arrive at solution that will promise a lasting customer experience.