





**Breaking Down the Silos -
Towards a Customer Driven
Banking Reference Model**



ProcessForum
Changing the World - One Process at a Time

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Agenda



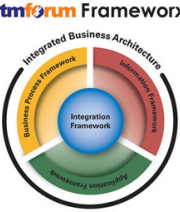
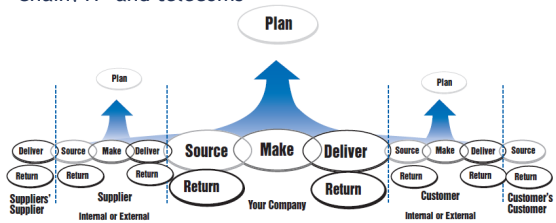
- Existing industry reference models in ARIS
- Reasons why there is no banking reference model
- Limitations in current process improvement methods and modelling techniques
- Changes in society and technology leading to the enlightened customer
- How customer-driven design could be applied to banking
- Opportunities for increased revenue, reduced costs and improved customer service

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ARIS provides a head start in documenting, analysing, improving and implementing industry-specific processes through a comprehensive toolkit of reference models such as Supply Chain, IT and telecoms

ARIS Platform

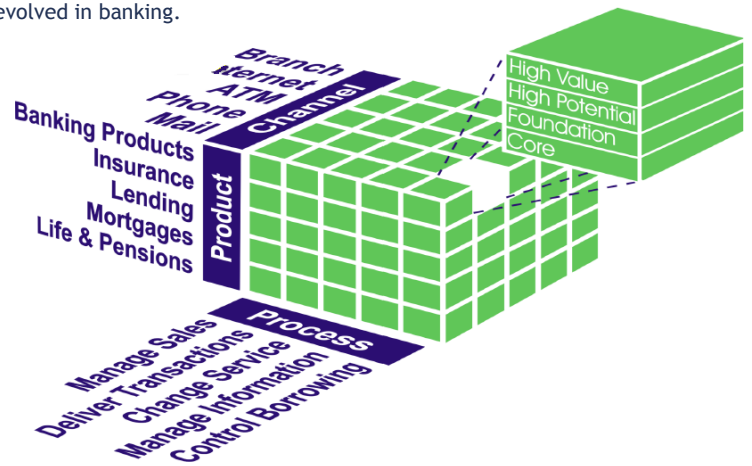





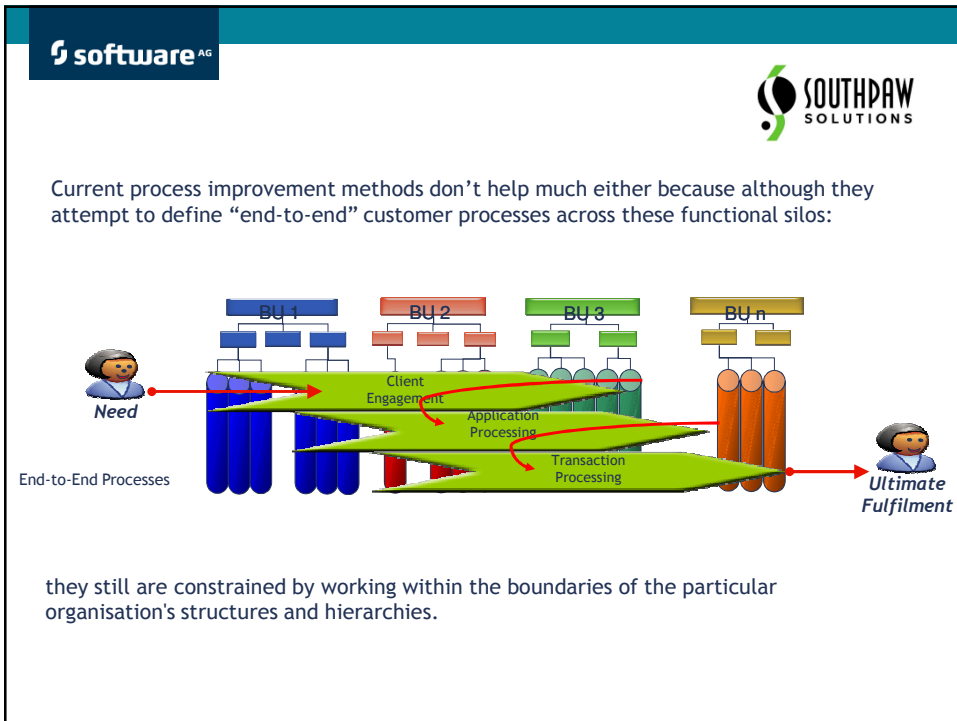
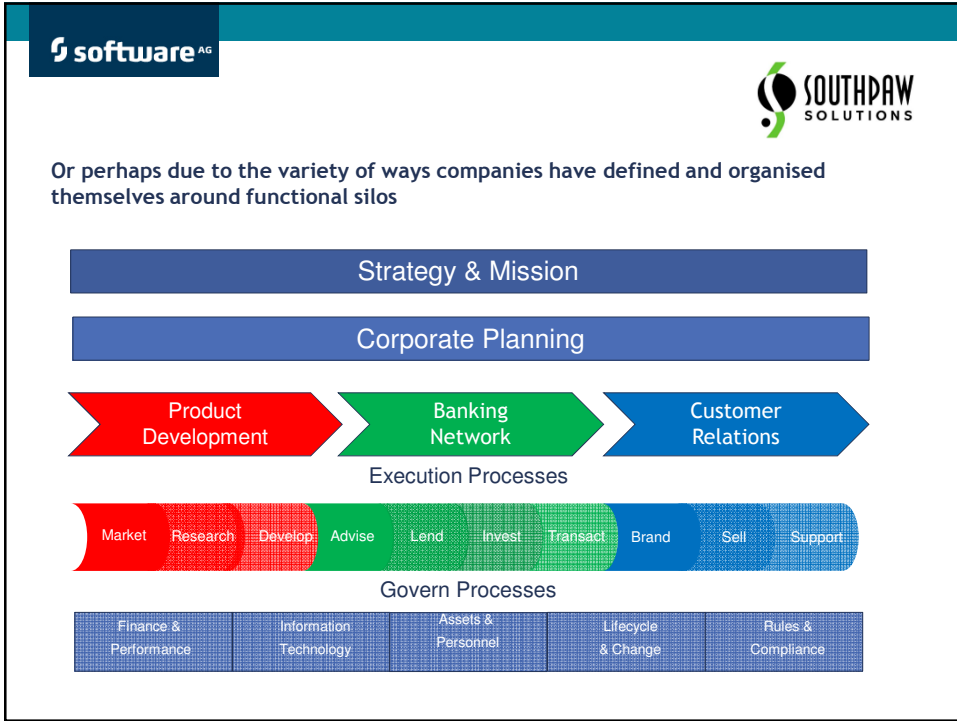
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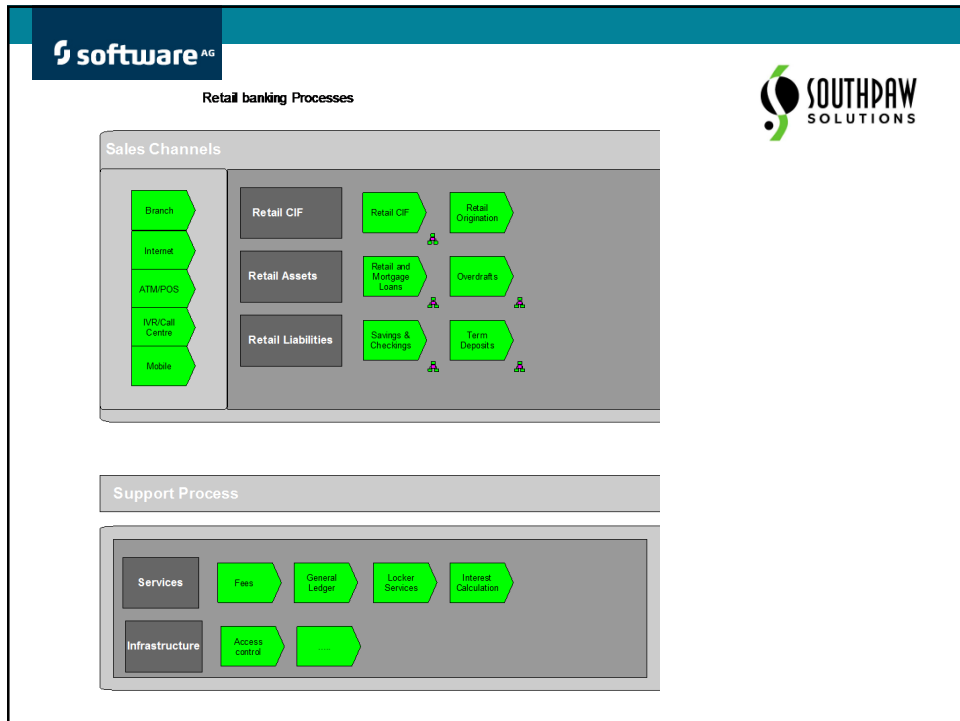
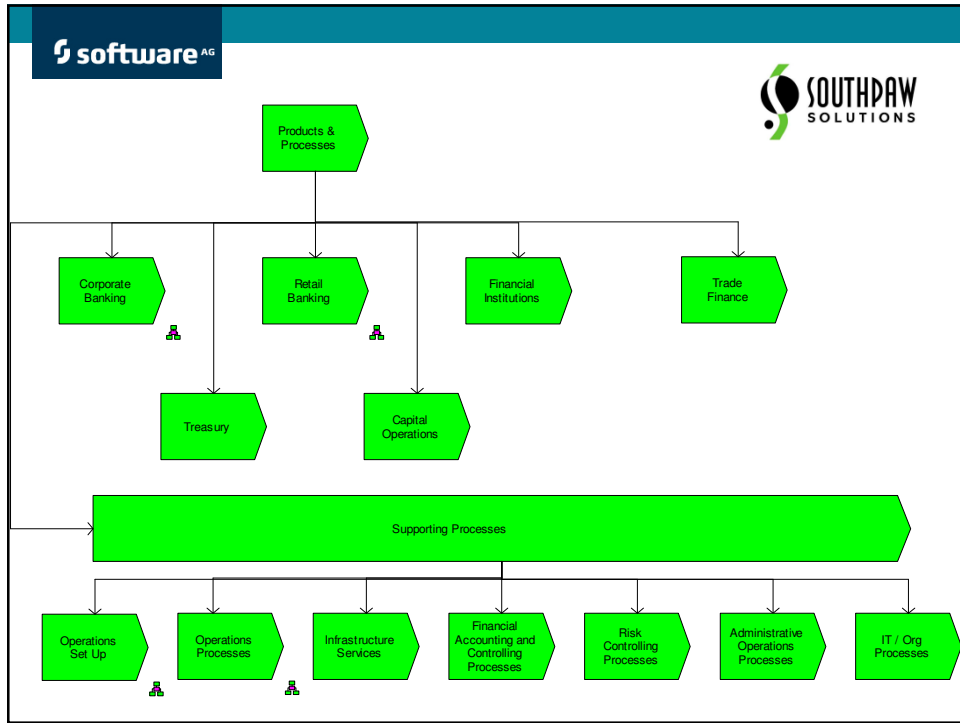
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However, no such reference model has been forthcoming in the banking industry. Perhaps this due to the complexity of products, services, segments and channels that have evolved in banking.







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creating an “inside-out” view of the organisation with only small, incremental improvements possible

“tinkering under the bonnet” to improve performance

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So rather than the top down, left to right , “inside-out” view of organisations, what should guide the design and representation of process?

The one that ultimately pays for all of this value created by these value chains...



The customer!

But has this not always been true, what is different now?

The world that created this legacy is not the world we live in now

We are now in the middle of the greatest social and technological upheaval the world has seen for 400 years.

When the first mobile phone companies launched in the U.K. in 1987, an industry insider predicted a maximum of 10 000 phones.

Today, India has the fastest growing mobile phone market and is expected to surpass China as number one by 2013

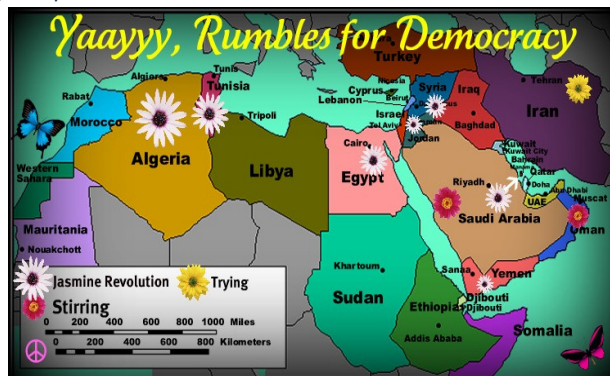


Year	India Subscriber Base
1994	0
2001	5 000 000
2003	10 500 000
2007	250 000 000
2008	375 000 000
March 2011	811 600 000
2013 (projected)	1 159 000 000

"The number one benefit of information technology is that it empowers people to do what they want to do. It lets people be creative. It lets people be productive. It lets people learn things they didn't think they could learn before, and so in a sense it is all about potential."

Steve Ballmer, CEO Microsoft Corporation

The combination of ubiquitous technology and social change as borne out in the "Arab Awakening





The emergence of the “enlightened” customer is characterised by:

entrenchment of civil liberties and consumer rights leading to greater customer rebellion and a groundswell against poor products and services

altered customer expectations as traditional marketing becomes less effective as people share their own experiences and recommendations

Customers exercising more choice as they are presented with a wide array of products and services

Customer promiscuity, going with anyone they choose on their terms

Choosing to engage through multiple channels as various technologies enable greater choice



The latest thinking in Business Process improvement is Customer Experience Management, an outside-in approach to process and organisational design.

Outside in philosophy:

a method of **managing** by delivering **Successful Customer Outcomes (SCO)**- that which the **customer really needs**.

every aspect of an Outside-In company is **aligned** to achieving the SCO.

this alignment drives out **none contributory work** and **optimises** the cost base.

the customer experience **IS** the **process**

The SCO process can be used as a **tool** to **uncover** business opportunities

So let us apply this approach to retail



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What is the SCO?

Happy family in their home

How does the bank view what business they are in?
Selling a home loan and possibly insurance

How does the bank view the process?
Home Loan Application Process

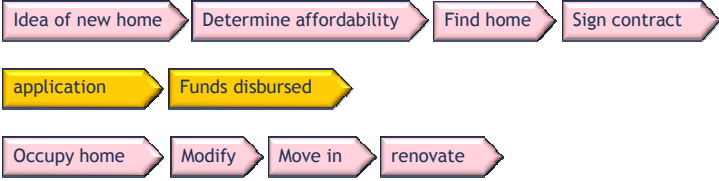
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the bank say where the process starts and ends?

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From Application to Disbursement of funds

Where would the customer say where the process starts and ends?




```
graph LR; A[Idea of new home] --> B[Determine affordability]; B --> C[Find home]; C --> D[Sign contract]; E[application] --> F[Funds disbursed]; G[Occupy home] --> H[Modify]; H --> I[Move in]; I --> J[renovate];
```


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Finally, organisational structure and process are aligned around the customer



The diagram illustrates a customer-centric organizational structure. A central red sphere labeled 'Customer' is surrounded by a network of orange and yellow nodes connected by thin lines. To the right, a blue circular process model is shown, consisting of several concentric layers. From the outermost to the innermost, the layers are labeled: 'TASKS', 'ACTIVITIES', 'OUTPUTS', 'OUTCOMES', 'CUSTOMER VALUE', and 'STAKEHOLDERS'. Arrows point from the 'Customer' sphere towards the process layers, indicating a flow of information or value.

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Thank You!

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