

# Technology in Customer Centric Banks

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Addressing customer needs in the current turbulent environment is about 'getting the basics right', particularly technology

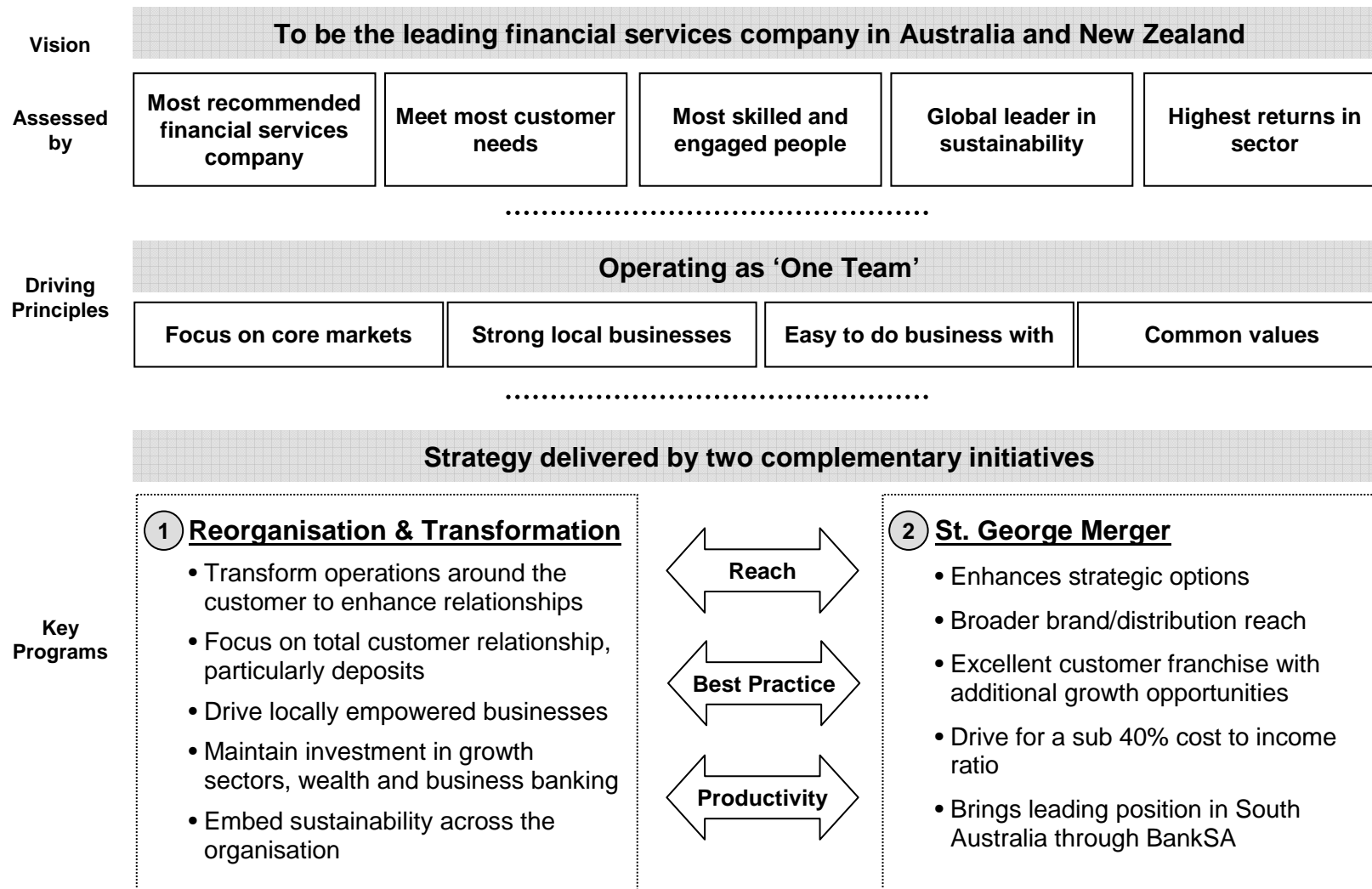
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### Typical Customer Service Needs

- Reliable delivery of products and services
- Consistent experience across channels and platforms
- Easy and simple to do business with
- Single and insightful view of information
- Flexible and responsive to requests

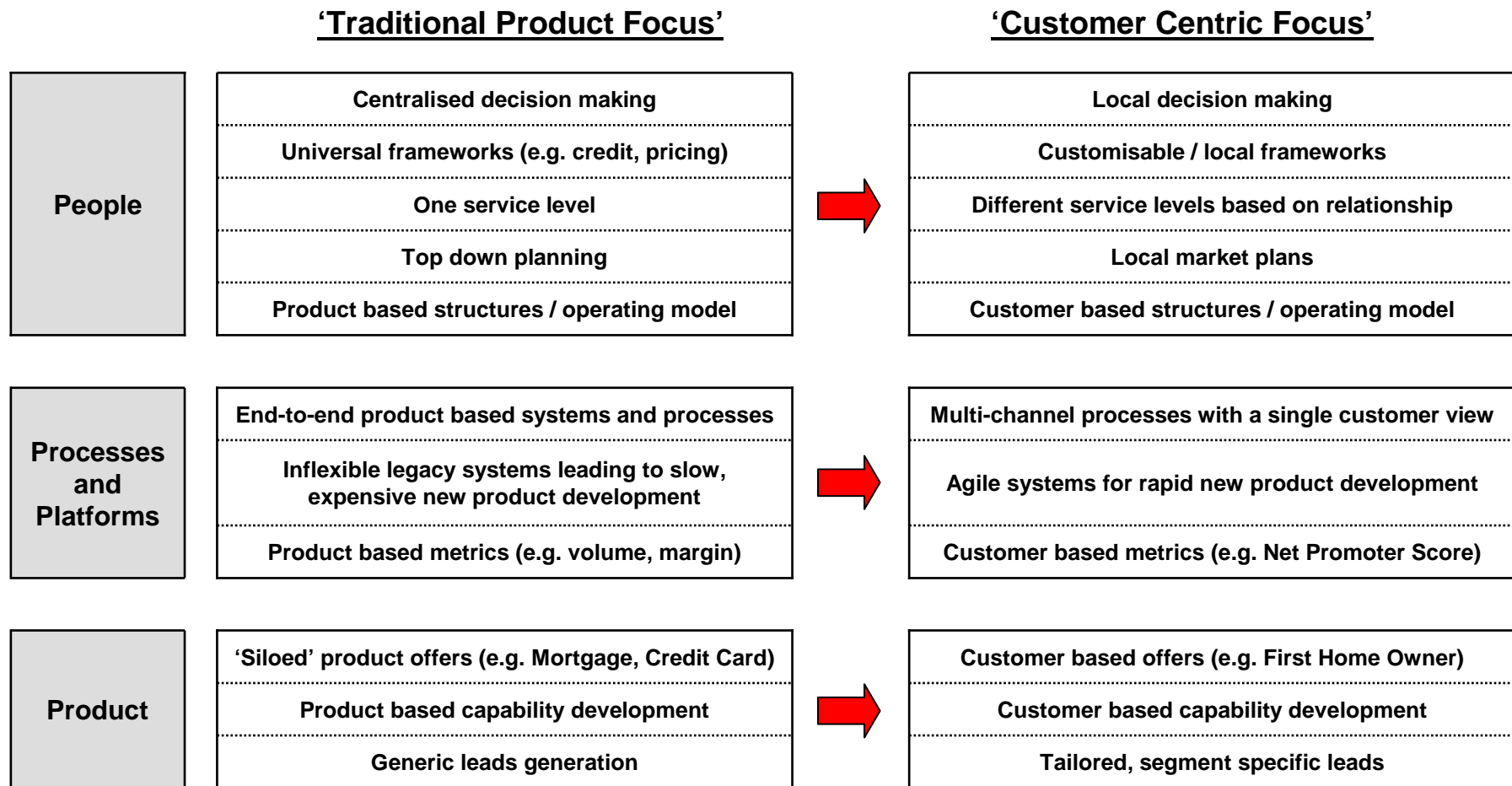
# Westpac has articulated a 'customer centric' strategy to focus our effort on directly fulfilling customer needs

## Westpac's Customer Oriented Strategy

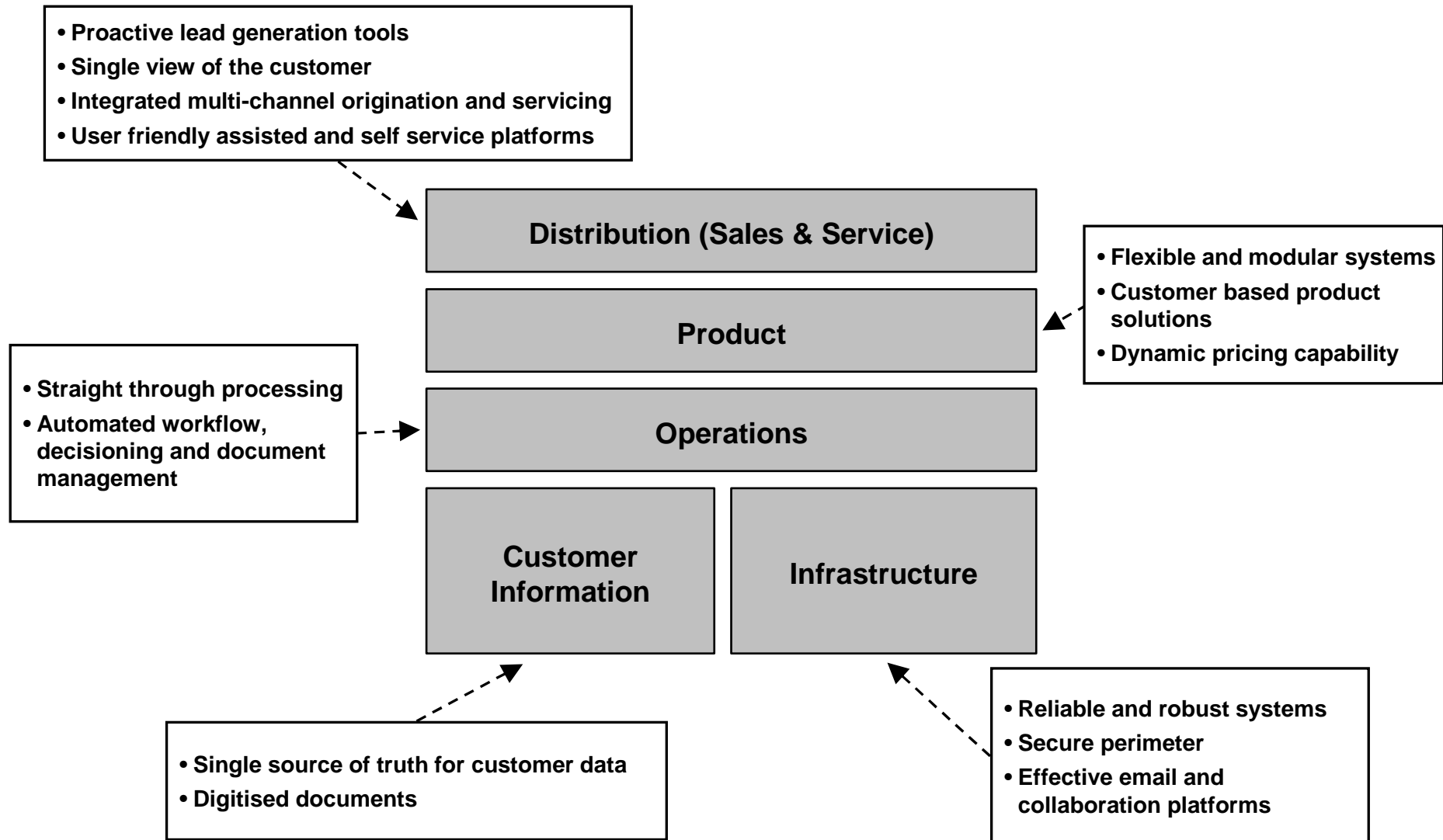


# Becoming 'customer centric' requires a significant shift of mindset for traditional banks

Being customer centric is about putting the customer first by organising PEOPLE, PROCESSES and PRODUCTS around the fundamental needs of the customer



# There are several key target technology capabilities implied by a 'customer centric' focus

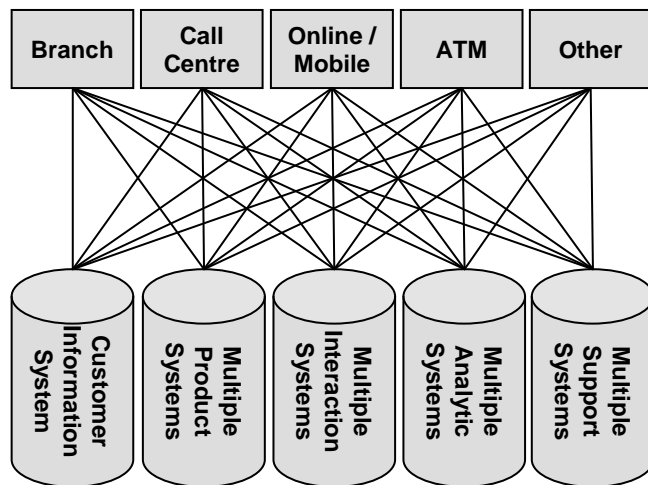


# Example transformation: 'Single view of the customer'

## Customer Information Transformation

**From**

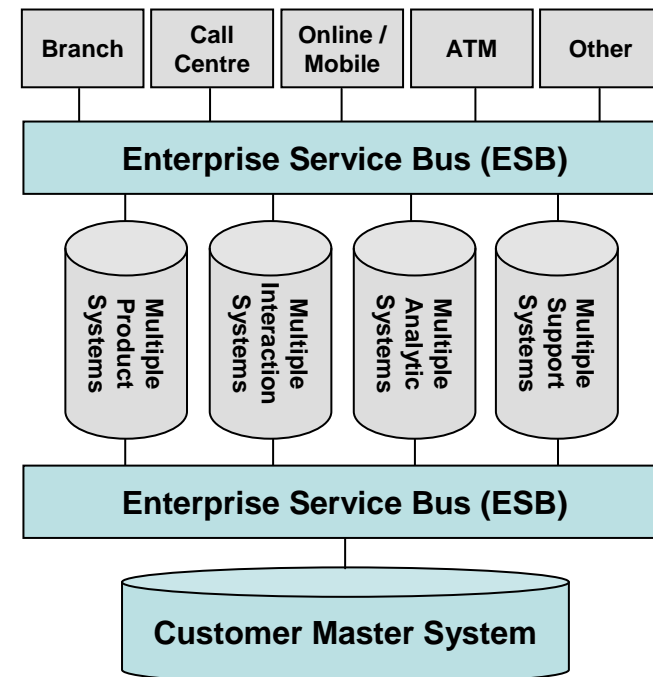
### Inconsistent Data In Multiple Sources



- Multiple underlying systems and data sources
- Different business units have different customer information (e.g. postal addresses)
- Customers and staff are not able to see all holdings
- Complex and costly to add capabilities (e.g. rewiring to multiple touch points)
- Inconsistent customer experience across channels

**To**

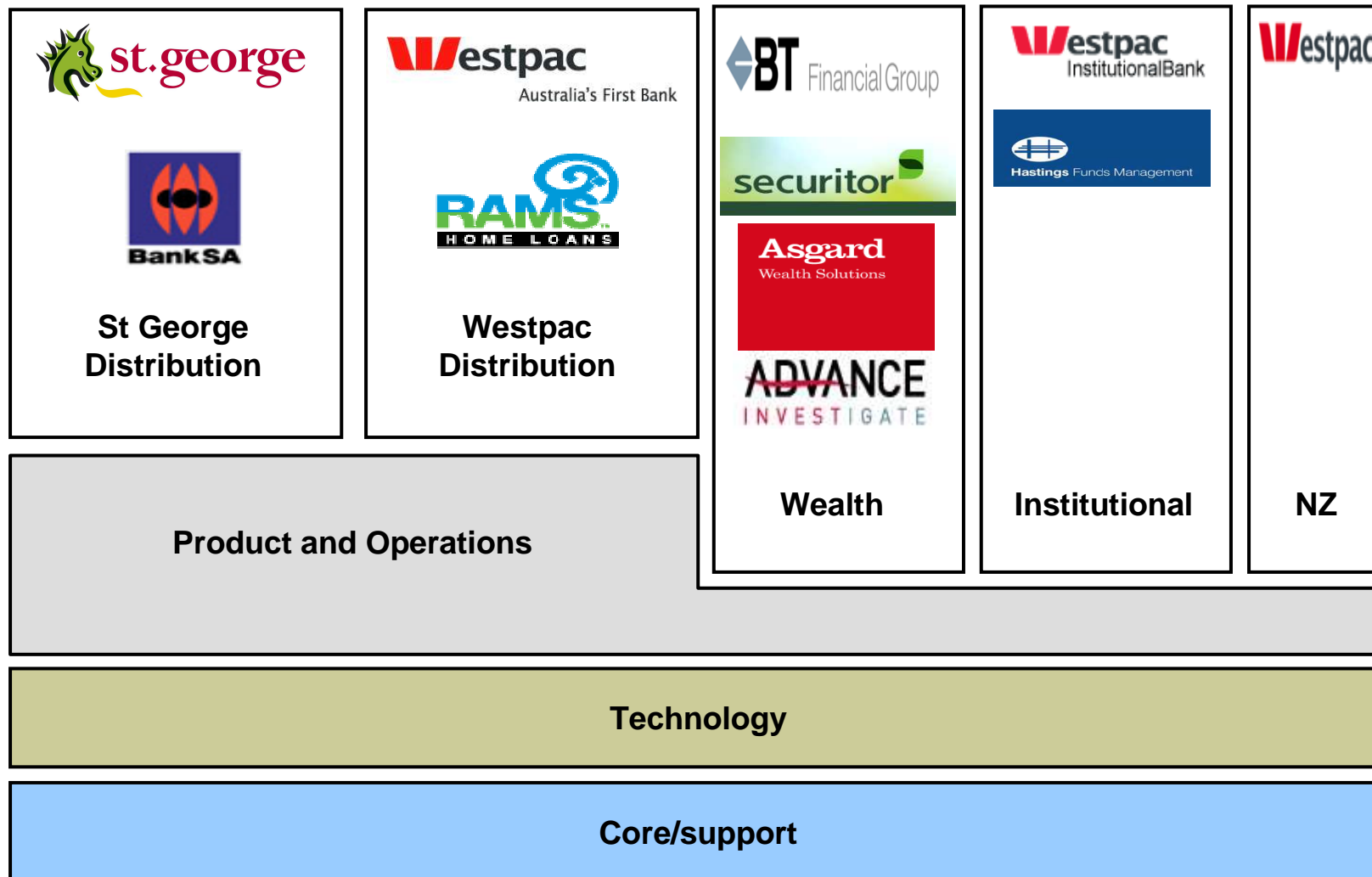
### Simplified Architecture



- Single customer view / source of truth
- Rapid capability development
- Easier to build new services
- Consistent customer experience

# Westpac has established a unique operating model to shift our mindset and deliver on our 'customer centric' strategy

## Westpac's Customer Oriented Operating Model



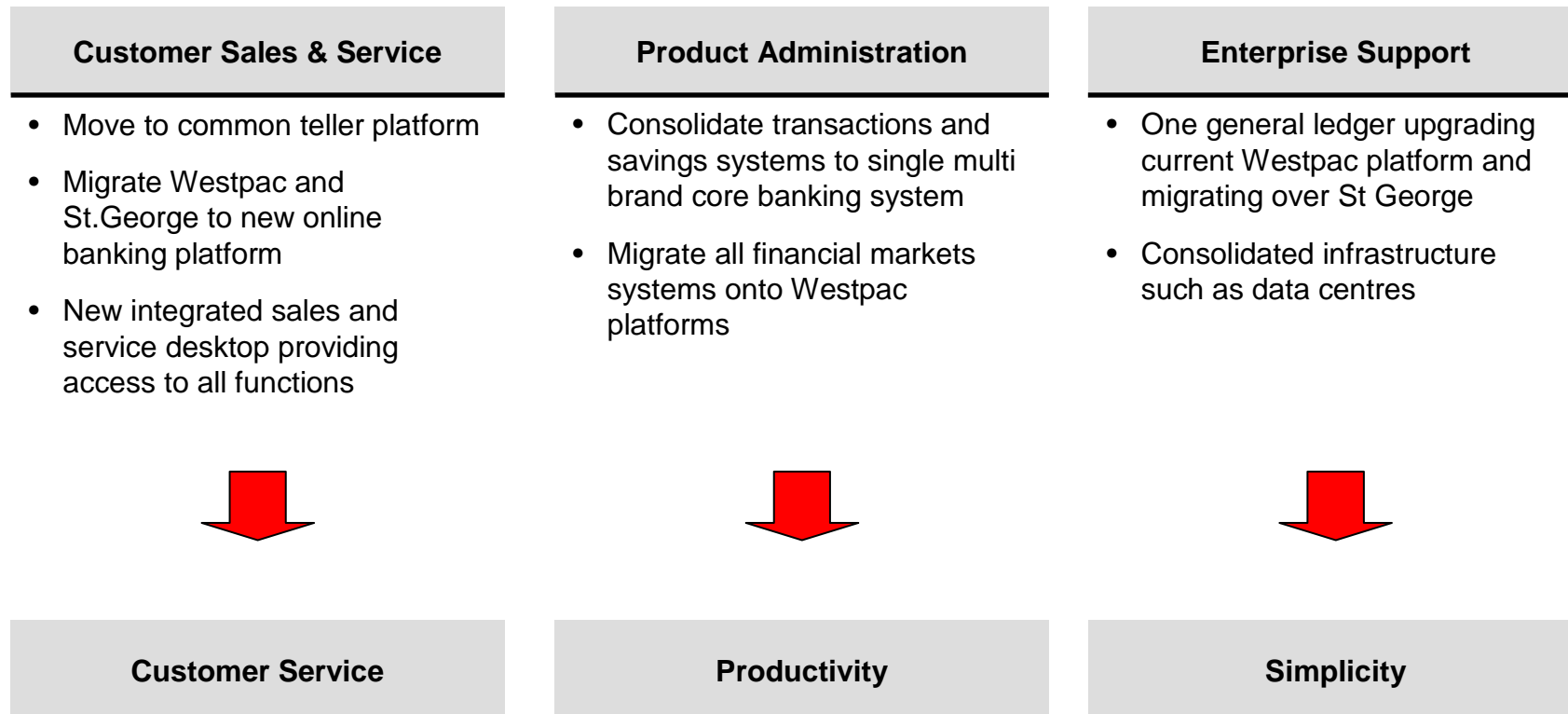
## Six technology issues are important to consider to enable a 'customer centric' organisation

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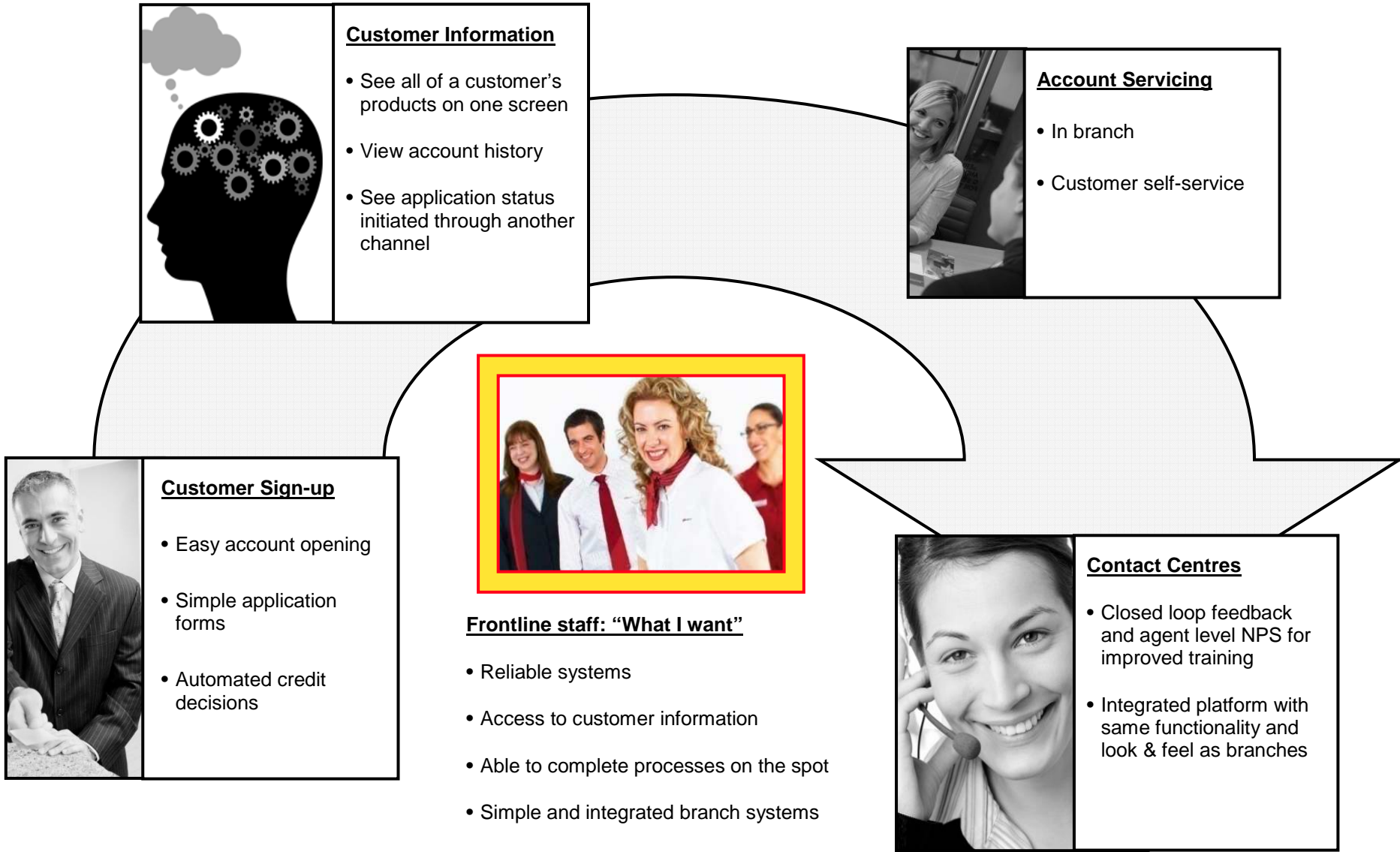
- 1 **Develop a clear technology strategy aligned to the business**
- 2 **Streamline customer fulfilment processes to be easy to do business with**
- 3 **Ensure reliable and robust technology services are provided**
- 4 **Manage performance by measurable metrics**
- 5 **Implement a robust operating model and project delivery function**
- 6 **Systematically identify, prioritise and implement opportunities to 'delight'**

# 1 Develop a clear technology strategy aligned to the business

## Westpac's IT Strategy

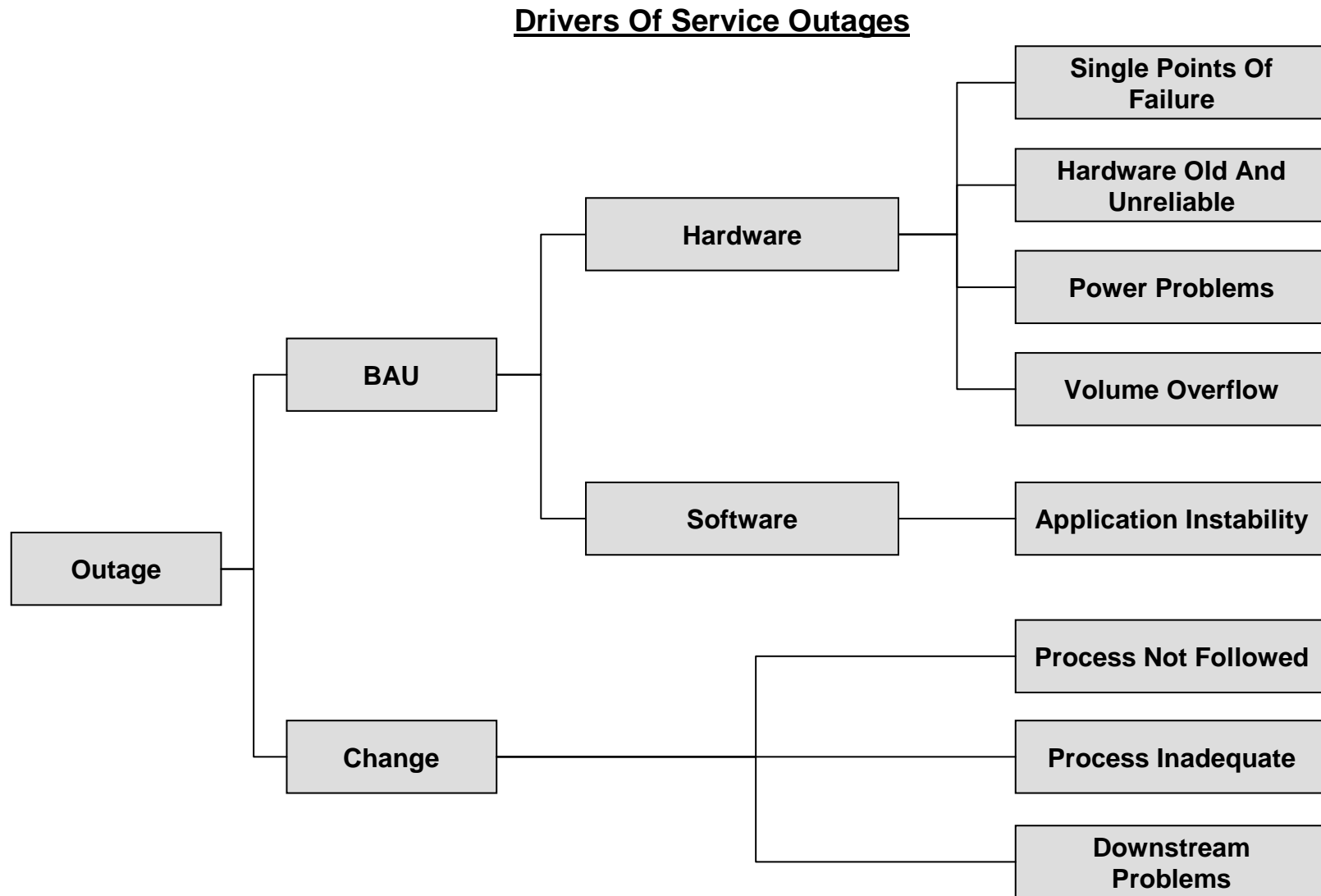


# Streamline customer fulfilment processes to be easy to do business with



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## Ensure reliable and robust technology services are provided

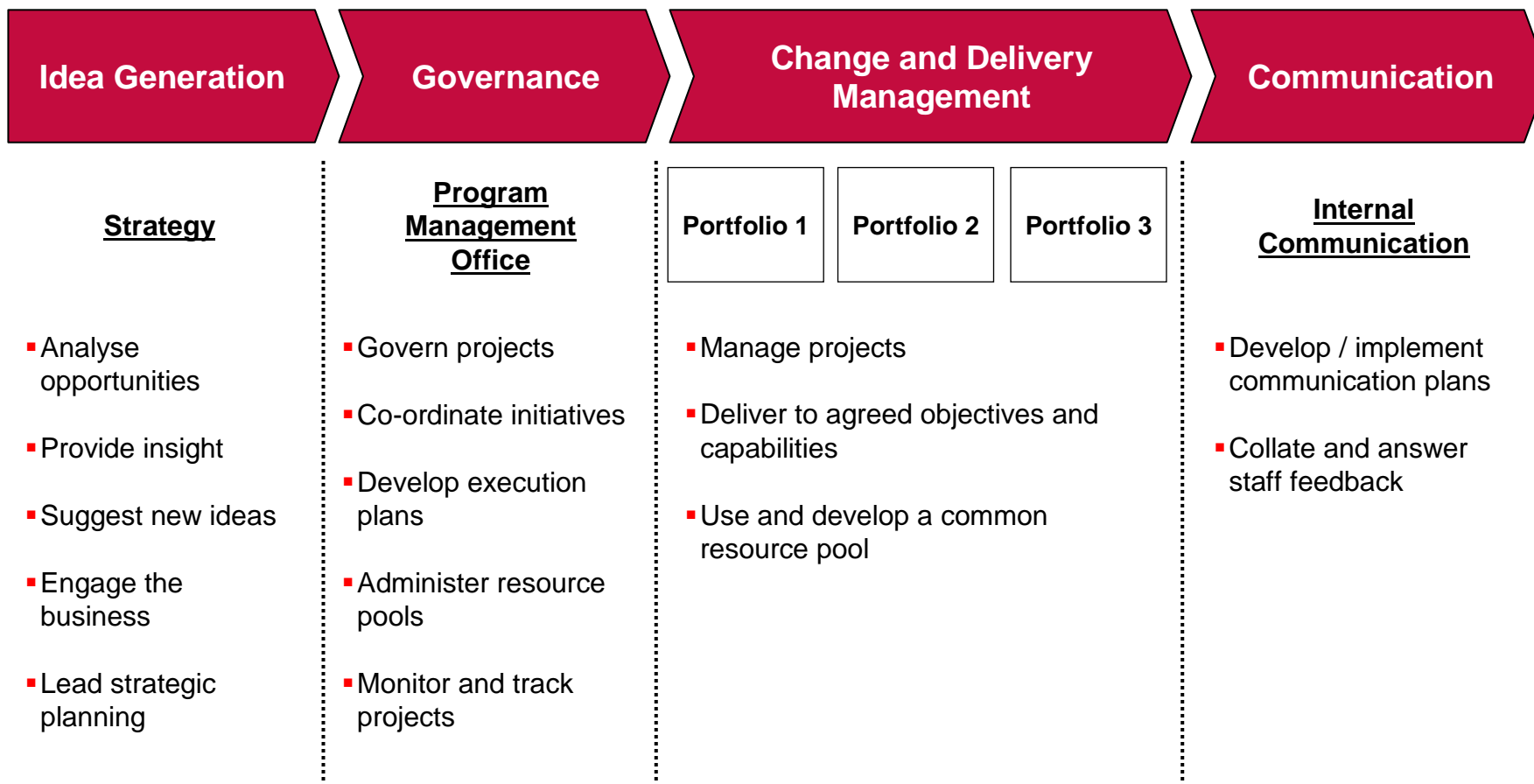


### **Some technology *metrics* that can be used to measure *performance* include**

- Service delivery applications meeting service level agreements
- Project status – green, amber, red
- Number of ‘Severity 1’ incidents and mean time to restore service
- Programme health for end user, network, desktop applications, online
- Outages and number of customers impacted for Online, ATM, call centre
- IT net promoter score
- Number of help desk calls

# 5 Implement a robust operating model and project delivery function

## Project Initiation And Delivery Operating Model



*To focus on building and optimising end to end change capabilities...  
... and driving execution excellence*

Continuous Improvement Process

<b>Concept</b>	<ul style="list-style-type: none"> <li>• One employee feedback tool</li> <li>• For use by all staff - frontline &amp; back office</li> </ul>
<b>Key Focus</b>	<ul style="list-style-type: none"> <li>• Product or process ideas that improve the customer and or staff experience</li> </ul>
<b>Method</b>	<ul style="list-style-type: none"> <li>• Suggestions stored &amp; managed centrally</li> <li>• Monthly steering committee prioritises ideas</li> <li>• Set scoring system</li> <li>• Validation by subject matter experts (if required)</li> </ul>
<b>Criteria</b>	<ul style="list-style-type: none"> <li>• Implementation cost (&lt;\$250k)</li> <li>• Implementation time (&lt;12 months)</li> <li>• Impact on customer, employee, quality, efficiency, revenue and cost</li> </ul>
<b>Communication</b>	<ul style="list-style-type: none"> <li>• Ongoing communication with the person who suggested the idea</li> </ul>

## Lessons learned – Technology in a ‘customer centric’ organisation

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- **Ensure commitment from all the senior leadership team to drive change**
- **Communicate a consistent message across all stakeholders**
- **Develop a program of work that will support a ‘customer centric’ focus**
- **Instil strong disciplines to focus on the highest value activities**
- **Uplift workforce capabilities to support the change**