



HOW TO THRIVE IN THE DIGITAL WORLD

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Michelangelo, when 87 years old, is quoted to have said : « I am still learning », which is of noticeable humility, seen in the light of his achievements, his maturity, his mastery of techniques and his unanimously recognized genius, already during his lifetime. Achievements, technical mastery, maturity and experience, albeit not always genius, are certainly characteristics of many seasoned and reputable corporations and their management, in particular in banking & finance, which has been thriving in the last 40 years.

The banking & finance industry is currently heading into a period of transformation, where continued learning, to address new challenges in a rapidly changing world, is more than ever at the center stage : success, as the quest for perfection, requires constant vigilance.

In today's economy, in particular in the financial sector, in light of the digital transformation underway, we need to adapt, meaning we need to learn and to identify those new skillsets necessary to innovate and improve our service proposal to our clients, building on the many, mainly technology based possibilities, arising with digitalization.

The main changes digitalization is making possible can be summarized as follows. Interaction with clients becomes possible, even when not physically meeting the client. The difference with the telephone, and other means of remote communication, is materializing with the emergence of the « digital identity » and the capacity to make contracts, through digital forms and with digital signatures. Service providers and clients can interact, in a fully secured set-up, « as if they were there », through multi-channel communication, without constraints linked to facilities or paper and with the capacity to present the full scope of services from remote.

Digitalization further enables companies to organize more efficiently internally, with collaborative working and the efficient pooling of talents, the creation of service offerings through the convergence of best of breed solutions, the automation of tasks & digital workflows and a better understanding of clients and markets through enhanced data analytics capacity.

When looking at the required skillset, coding may intuitively seem as key to success and clearly is, when it comes to building the technical backbone and the application offering to provide services in a digital form. There obviously is a strong IT component to building a digital service platform. To name a few key areas of competence key to success in the digital area : (cyber-)security, cloud computing, digital identity & digital signature, data encryption, the mastering of data exchanges between legacy systems and client facing service platforms and data quality are key areas where banks will need to build or acquire skills.

It is important though, not to underestimate, the specific challenges on the business side, requiring strategic and innovative thinking to succeed in the digital area, in particular when it comes to keeping and developing services for an ancillary client population, attached to personal service and value added service proposals. The main danger in a digital transformation is to loose those key differentiators and to slide into a mechanical approach to servicing clients, built only on pricing as unique selling point. The second challenge when a financial service provider becomes digital, is failure to create value in the digital space and to subordinate technological innovations (as enhanced data analytics, machine learning or artificial intelligence) to the personal interaction with its clients. The third main challenge for any firm becoming digital is to loose the visibility it has in the « old economy » and so face increased hurdles to develop new client relationships.

The key to succeed in the digital transformation is therefore first and foremost to master the organization's digital strategy, to articulate appropriate service contents with new data focused technologies and to do so without losing its client focus. It is therefore crucial to have the right leadership and managerial skills, and to be able to ensure appropriate change management at the banker's as well as at the client level. In any enterprise digitalization requires a well thought and new approach to company culture and



leadership. Digitalization will impact the functioning of all departments, not only IT, as processes will be carried out without constraints of time and space, with the sequencies defined only by the efficiency to deliver the right service, to the right client, at the right time.