

A photograph of two men in a meeting. The man on the left is Black with dreadlocks, wearing a dark suit. The man on the right is white with a beard, wearing a blue plaid blazer. They are both looking at each other. A vibrant, multi-colored light trail (red, orange, yellow, green, blue, purple) curves across the top of the image. The background is a dark office with shelves containing decorative items.

# New Ways of Working

The role of culture  
in digital banking  
transformations

# Introduction

Any number of factors can stall an organization's digital transformation efforts. Overly aggressive timelines and lack of proper checks and balances built into the feedback process are among them. But if we analyze these and other deficiencies, we often find that the missing piece is the company culture. As management guru Peter Drucker famously said: "Culture eats strategy for breakfast."

Industry research shows that 70% of digital transformations fail to meet their objectives because of cultural shortcomings. Integrating disruptive technologies with new processes, models and ways of working relies on employees embracing and adapting to those new ways of working. A sustainable digital transformation can prove nearly impossible without including a defined and comprehensive culture shift into the mix.

This ebook details some of the most common reasons why banks and other financial service providers fail to achieve a successful culture change. It then explores remedies. We'll look at the significant role that commitment from the top plays. We'll explore how the journey of customer research serves as a necessary step for employees to truly understand their places in the process. And we'll discuss the importance of design thinking and why the ability to iterate throughout the process plays a critical role in building a sustainable, customer-centric financial service provider.



# A journey worth taking

Launching and successfully implementing a culture change initiative requires time, patience, and commitment. It often takes years of consistent effort to bring about the desired change. [Research](#) from Gartner has found that one-third of change initiatives succeed. The odds of success for culture-change efforts are even lower.

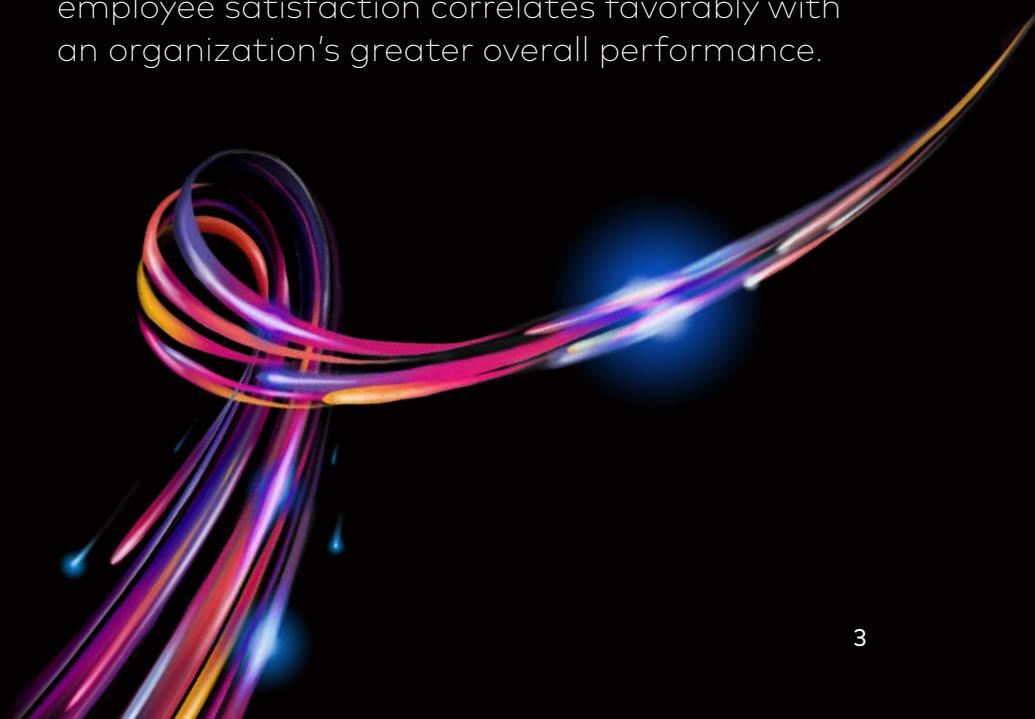
But it's a journey worth taking. Everything positive and sustainable that an organization will achieve begins with defining the culture it wants to have and then putting into place the changes and values it needs to get there.

Yet, even with the right road map, many companies fail at culture transformation because they stumble on some avoidable pitfalls. Among them:

- **A lack of leadership buy-in to the whole initiative**
- **Conception of culture as strictly a human resources issue and not a company wide concern**
- **Failure to establish a timeline with milestones that generate a sense of urgency**

At Amdocs, our financial services team has seen culture change up close. It's our view that a successful, sustainable culture-change initiative involves giving employees an underlying belief system that goes beyond any new technology or digital product. It's about learning to put customers at the center of decisions. Employees should see how their day-to-day decision-making benefits customers. Do they serve customers in the best possible way regardless of their job description or tenure with the company?

The effort pays substantial dividends. Decades of [research](#) from Gallup show that higher employee satisfaction correlates favorably with an organization's greater overall performance.



# Commitment from the top

This process starts with communication from the C-suite. Without buy-in and commitment from the top of the organization, any culture-change initiative will simply sputter and fail. A CEO committed to the plan can also help guard against one of the more painful parts of any transformation: the impact on the organizational chart.

"Many people spend a lot of time and personal and political capital building their domains, and you're now asking them to re-evaluate all of it," notes Paul Tidwell, Managing Director, Amdocs projekt202. "Executives having one-on-one conversations with people who are going to be impacted by these changes is all part of a solid, well-thought-out communication plan."

This flow of information needs to stay present at every level of the organization, but, imperatively, it starts – and remains – strong at the top, he says.

With senior leadership on board, the next step calls for outlining the expected performance, behaviors, and goals for employees at every level of the company.

"Defining how you're going to communicate and who your target audience is for different aspects of a culture-change plan is pretty easy to overlook and pretty hard to do well," explains Tidwell.

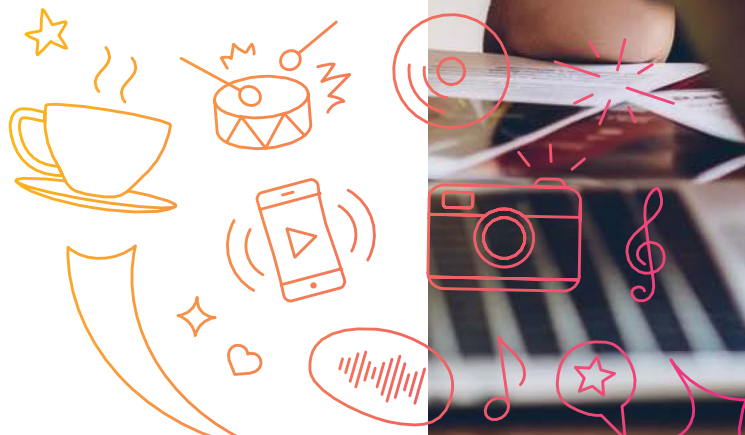
In fact, many companies believe they address these issues and think they perform a sufficient job. The reality indicates that they do not.

# Communication

Avoid mixed messages. Without proper and precise messaging, many employees interpret transformation of any sort as a signal of something they did wrong or a deficiency in how they do their jobs. This is not what you want. You want to make this about an opportunity for employees to grow their careers.

When kicking off this step, create messaging that specifically highlights the opportunities employees will have to expand and refine their skills portfolio.

**"Connecting the transformation to the personal benefits that employees will get is how you get buy-in from the beginning," says Paul Tidwell, Managing Director, Amdocs projekt202 .**



# Connecting customers and employees

Once employees understand their roles in a culture transformation, they need to understand how their jobs and specific duties help deliver value to customers. The best way to do that entails understanding the customer – their needs, pain points, and competitive issues.

In other words, treat culture as a product. Scores of products receive approval and launch into the marketplace. But what sets the good apart from the great? Products imbued with the learnings from robust customer data rise above the rest. Creating a great culture demands similar input. It doesn't just happen. It evolves through many iterations of a plan, in-depth communication, and a rigorous commitment to continual feedback.



## Value of empirical insights

Here's an example of customer-centric culture transformation in action. Amdocs projekt202 worked with financial services company Charles Schwab. The goal was to redesign its platform for active traders. Many of the managers at Schwab had deep domain experience with the platform. They believed that traders wanted financial information served up quickly and neatly so they could make buy and sell decisions almost automatically.

Rather than simply accept that hypothesis, the team started interviewing customers sitting at their trading stations in their homes. With this work, we discovered that, contrary to what the Schwab managers thought, customers didn't want trading decisions automated. Instead, they wanted a lot of information at their fingertips so they could make the trading decisions they felt were best.

Traders wanted to feel like a fighter pilot in a cockpit and have all this information coming to them. The goal was to give them information in a way that empowered them to synthesize it all and make the trading calls themselves.

Getting employees out into the field to see customers and hear them first-hand gives them a sense of ownership about customer-centric transformation.

# Human-centered design thinking

Any organization can call itself customer-centric, but it needs a way to organize the process of creating designs and changes that keeps the momentum going in the right direction. Design thinking offers a human-centered approach that puts the customer at the forefront of innovation. Rather than manage against traditional and controllable objectives such as cost, design thinking helps an organization to see experiences through the eyes of the customer.

And though having accurate, actionable customer data remains essential, it's not enough. Making culture change sustainable depends on giving employees access to these customer insights so they can come up with solutions. Importantly, after achieving a deep understanding of the customer, you must design and align the next steps by assessing where you are in the transformation process and where you want to be.

**A culture of "fail fast, learn fast" allows employees to test different ideas, iterate, and start again. This process encourages employees to make small, incremental changes that lead to better outcomes while also growing their own investment in and connection to customers in real, quantifiable ways.**

An insights-driven culture will emerge as organizations standardize new habits that encourage decision making based on data, not politics. By creating a unified customer experience platform, employees can leverage real-time analytics to access insights and make informed, customer-centric decisions.

Also essential in any culture-change environment is creating room for learning. Employees that are retrained to be digital-first adopt the tools that drive change – and the entire workforce learns.



Technology alone won't transform a business.



This change doesn't mean throwing every new advanced technology into the mix. Instead, it demands the thoughtful rolling out of new digital technology tools (think: machine learning and artificial intelligence) that enable employees to achieve better productivity while becoming customer-centric.

Changing company culture is hard. But organizations can truly evolve if they take the time to create a robust communication plan, gather accurate customer research, and tie the customer experience to the employee experience.

By leveraging technology to create new ways of working – with the customer at the center – companies can empower employees to create a sustainable culture shift.

## Summary

### **Implementing a culture change takes time, patience, and commitment.**

A complete understanding of how culture supports business objectives can help organizations make lasting changes. This effort will modernize your organization, and it will set the stage for continual innovation – the lifeblood of any successful company. This process encompasses a multi-pronged approach, blending technology, methodology, and your workforce.

When organizations treat culture as a product, they can build human-centered design methods into their processes, thereby elevating both the customer and employee experience. With these constituents aligned and moving in the same direction, change becomes possible, innovation increases, and technology serves as a lever – and not the sole answer – to ensure a successful digital transformation.



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