How to build consensus for technology adoption in banking

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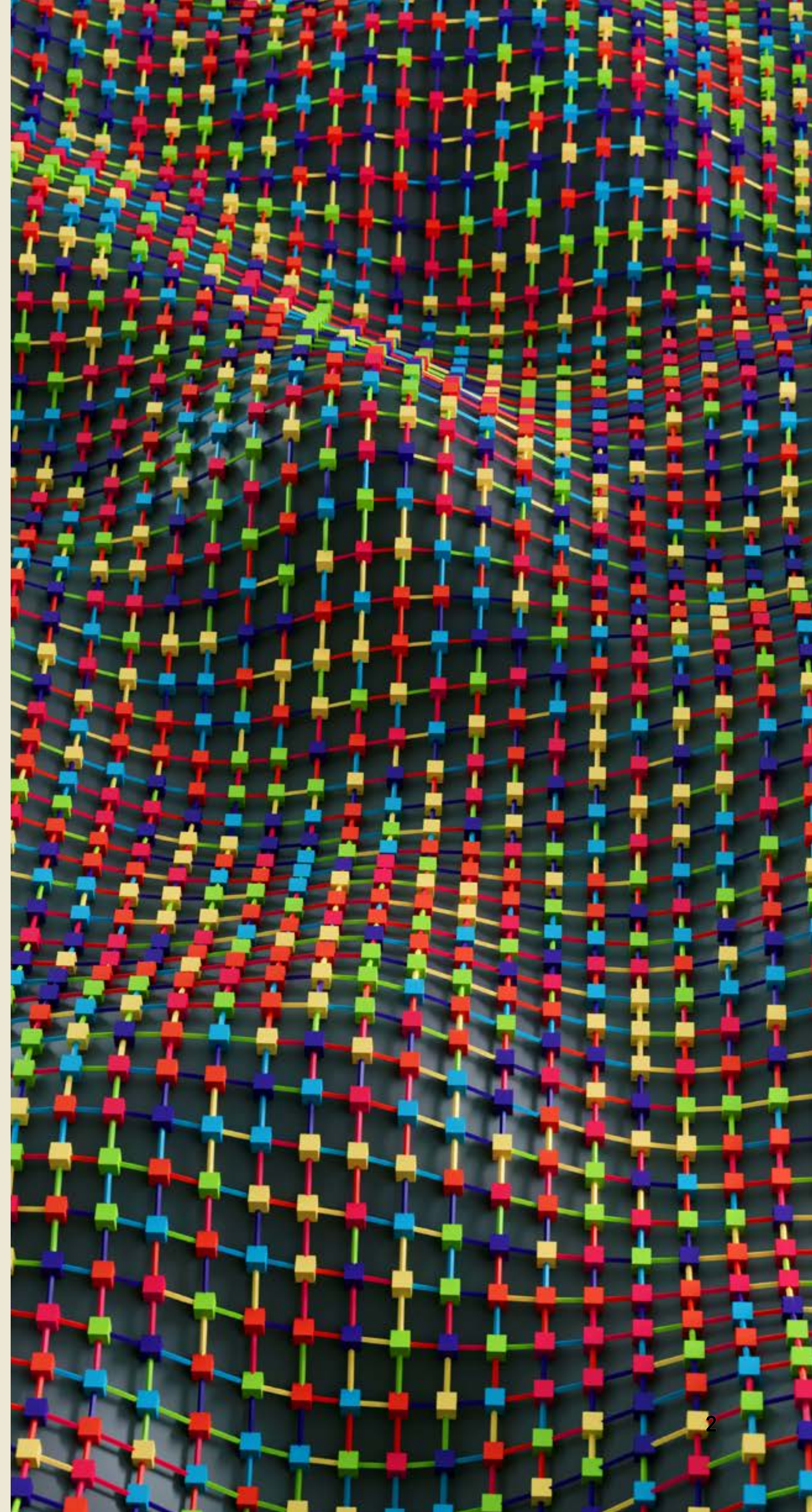
Banking industry leaders know that digital evolution is an absolute necessity. They recognize the role it plays in enhancing customer experiences, staying compliant with evolving regulations, retaining talent, competing with non-banking entities, and safeguarding invaluable data assets.

In today's rapidly evolving banking landscape, achieving consensus across Lines of Business (LOB) is paramount for internal and external digital transformation.

However, the journey towards collaboration and consensus has its share of challenges. Disruptive downtime, the risk of failure, and resource requirements weigh heavily on decision-makers, hindering progress. Despite the urgent need to modernize and meet their transformation challenges, many financial institutions are falling short of their goals. In fact, nearly 40% of banking leaders say transformations underperform against key performance indicators (KPIs).[1]

In this eBook, we explore **seven key steps change leaders can take right now** to harness their soft skills and lead their buying teams to successful technology adoption, aligning LOBs for an effective and seamless digital evolution journey.

[1]Ernst & Young. If transformation needs to be bold, do banks have the right tools for success? January 10, 2023.



7 steps toward successful automation

Step 1: Remember — digital transformation is organizational change

“When we ask CEOs how their transition to digital is progressing, they often respond with a list of initiatives under way across the business — building a new tech platform, launching new products, or investing in infrastructure, to name a few. But when we ask them to quantify the impact on the bottom line, there’s usually a long silence.”[2]

Why are so many decision makers unsatisfied with their progress in a digital transition? The “long silence” stems from an approach to technology that often fails to recognize that digital transformation is, first and foremost, organizational change.

Strange as it may sound, putting the focus on technology can be far less challenging than putting the focus on people. Which is why firms tend to adopt a technology-first approach in the purchase process. For their digital transition to add value, change leaders must begin that transition with a change strategy in mind, investing time early in the process to ensure that everyone — from C-suite leadership to front-line employees — is not just on board, but fully engaged.

[2]McKinsey & Co. How do you measure success in digital? Five metrics for CEOs. January 29, 2021.

"It's a known fact that adoption and productivity rates increase when employees are involved early on in the discovery and conceptualization phases of organizational change."

Step 2: Identify and engage all stakeholders

A common misperception concerning stakeholders is that stakeholders are users. They're not. A stakeholder is any individual who is impacted by a decision. When identifying stakeholders, cast a wide net, including employees. After all, they will be the primary users of the new product or system. Their adoption of new processes is critical to success.

Leaders often underestimate the complexities of executing a digital transformation. A common mistake is "not fully involving all stakeholders in the development of the strategy and blueprint."[3] Stakeholders who are not fully engaged often fail to understand the importance of buying into the change or what their part should be in making the change successful. They simply understand that a change is happening "to them," and not "with them." Instead, they need to clearly understand the purpose of the investment, why change is necessary, how it aligns with the firm's strategic business goals and how it will achieve an overall enterprise-wide, net-positive gain.

Change leaders must also understand that an organizational transformation does not necessarily mean all those involved will benefit to the same degree. Some users will benefit, while others may not. This is further complicated by competing priorities, varying degrees of business strategy and technology knowledge, and differing views of the opportunity and risk. Engaging all stakeholders throughout the process is no simple task, but by doing so, leaders can save time and money — and eliminate friction down the road.

[3]McKinsey. Why most digital transformations fail and how to flip the odds. April 2023.

Step 3: Speak the same language

Begin by speaking the same language … a shared vocabulary. Each stakeholder's tech fluency, their interaction with the considered solution, and the goals they seek to achieve with its use, are unique. Some will focus on features, such as interface. Some will focus on interoperability. Others will focus on the proposed solution's alignment with, and impact on, the enterprise-wide achievement of business goals.

Regardless of their functional area, whether marketing, human resources, operations, or finance, all participants in the process must understand how the proposed change impacts the overall business and the bottom line. Leaders must, therefore, help them – with language they understand – to look past any initial barriers to change and buy into the bigger vision.

Failure to achieve alignment from all stakeholders across the business, and aligning the considered technology with agreed-upon business outcomes, can lead to costly and disruptive missteps. For example, introducing a content management system (CMS) for marketing only to discover later that it will not integrate with sales' customer relationship management (CRM) technology.

Step 4: Agree upon measures of success

Arbitrary definitions of success can and will hinder progress. What is considered a win? Automating a process by 50% could, for instance, be deemed a success by some, while others could be aiming for 80%. ROI, key to measuring the value of any tech implementation, is nearly impossible to calculate when stakeholders have varying definitions of success.

Transformation is a dynamic process and can be influenced both unexpectedly and significantly by internal or external forces at any moment. It isn't enough, therefore, to simply set the transition in motion and hope the desired result is achieved. Agreed-upon KPIs that quantify the desired business outcomes can help measure success and should be monitored and reported on regularly. Like any journey, it's always a safe bet to frequently consult the roadmap.

Step 5: Avoid SOS (Shiny Object Syndrome)

It's been called SOS and the cause is clear; breakthroughs in technology are occurring on an almost daily basis. And it's human nature to wonder if one should, perhaps, shift one's focus from yesterday's solution to today's. SOS most often occurs when leaders are managing (and distracted by) multiple initiatives, underestimate the complexities of executing the transformation, or fail to fully involve all stakeholders.

Frustration with goals, frustration with progress, and frustration with performance can lead to shiny object syndrome. Chasing bright shiny objects can lead to continual comparison and fear of missing out. What's the best way to avoid SOS from the start? Set clear, measurable, agreed-upon, and achievable goals. Monitor both long-term and short-term goals and measure success on a regular basis. Unfortunately, bright, shiny objects can be a welcome alternative to making hard choices and staying on task.

Step 6: Make the best use of user stories

Business leaders have the opportunity, and responsibility, to provide their perspective on business needs at the beginning of the technology procurement process. Here, user stories can be quite effective as they 1) guide the buying team along their journey toward vendor partnership, and 2) articulate in a simple way the “who, what, and why” of the desired outcome.

Consider:

Who:
Who are the various users and what are their unique needs?

What:
What needs to happen to achieve the desired outcome? What technical capabilities are required? What processes are needed, or need to be changed?

Why:
Why is this change a priority? Why is it important to the business as a whole?

Step 7: Transform user stories into use cases

Once the user stories have been captured, distill them into self-supporting and individually implementable use cases that include all stakeholder parameters, goals, and benefits. Prioritize them, and eliminate any that are incompatible with existing technologies or lack clarity in measurement. Then, identify those use cases that are aligned to your current strategic goals (1-3-year roadmap) versus those that reflect longer-term investments (3-5-year roadmap). This will allow your stakeholders to focus only on those that address current business goals and needs.

Ideally, these are the use cases that represent the most business value, drive consensus within the buying team, and can then be taken to vendors. Much can be learned from vendor collaboration, such as insights gained from past engagements. Ideation workshops, for example, can be useful; not only validating the vendor's expertise, but also helping to identify any unrealistic expectations or false assumptions. Now is the time to ask vendors to show you how their solutions deliver against your needs through detailed demonstrations, not simply answering "yes or no" questions.

Build consensus and accelerate tech adoption

As financial institutions continue to accelerate their technology investments, the need for a more structured and rigorous consensus-building process will continue to grow. C-suite leaders can spearhead a successful tech adoption with a consensus-building process that is inclusive, collaborative, and capitalizes on the knowledge and experience not only of employees, but vendors, as well.

What does success look like for today's financial institution? It all comes down to intuitive tools and intelligent information management. At Ricoh, we believe there is no such thing as too much information — unless the processes needed to transform that information into actionable insights are not in place.

Through our suite of managed services, we unlock the power of information and processes to help banks effectively evolve and provide the best possible experiences in a sector that's quickly becoming more digital.

What's next?

Once you unleash the power of your information, there's no going back. With all the improved efficiency and insights you'll gain from optimizing your information and unlocking its full value, you'll wonder why you didn't start sooner.

At Ricoh, we are unlocking the power of our customers' information, processes, and abilities so they can respond to change and provide the best possible experiences for their employees and customers. By unleashing the full power of trapped information, financial institutions can unlock the full potential of their people, respond to change with actionable insights, and create more meaningful human experiences.

For further information, please visit ricoh-usa.com.

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