

# De-Risking Digital Transformation

Three Keys to Success in Financial Services

December 19, 2019



**crownpeak**

# Introduction

# Crownpeak provides the market's only enterprise-grade cloud-native CMS and Digital Experience platform



Ian leads Crownpeak's marketing and communications department where he is responsible for generating demand and growing awareness for the world's only enterprise-grade SaaS CMS. With over 20 years of marketing and technology experience, he focuses on content management, marketing technology, and customer experience.

**Ian Lowe,**

VP Marketing at Crownpeak

# VShift creates digital products, strategies and technologies that drive growth and accelerate transformation



Eric has been in digital transformation for over two decades, delivering innovative technology and digital experiences to firms such as Prudential Financial, J.P. Morgan, Deloitte, and KPMG. He has also led digital native businesses like his VC-backed cloud venture and VShift – a leading digital consulting firm. Eric is a board member and business advisor to several New York-based start-ups.

**Eric Feige,**  
Managing Director Strategy



# Digital Transformation in Financial Services

# Transformation: A complete change (metamorphosis) in someone or something (like an organization)

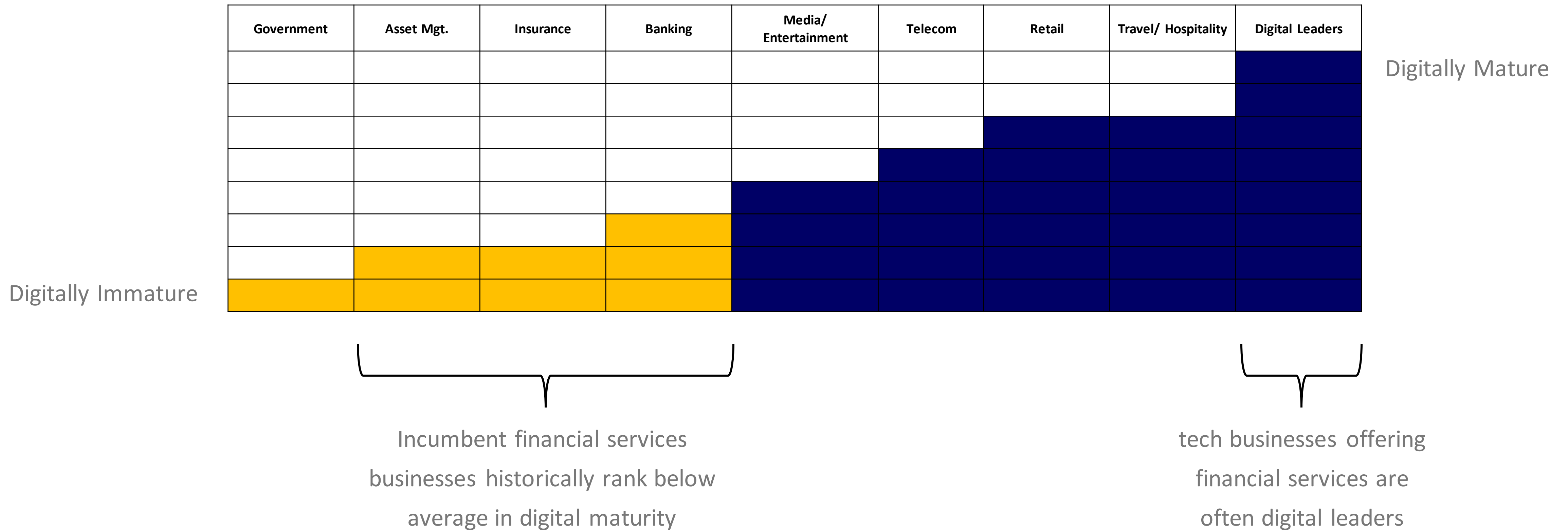
Digital transformation is the strategic, sequenced use of digital technologies and capabilities to create new — or modify existing — business processes, products, culture, and customer experiences to meet changing business and market requirements.

This reimagining and realizing of business in the digital age is **digital transformation**.





# Financial services and insurance companies frequently trail firms in other sectors (like technology)



# Financial services firms have inflexible “structures” in place that make transformation very difficult

Incumbent financial services factors

compared to digital leader factors

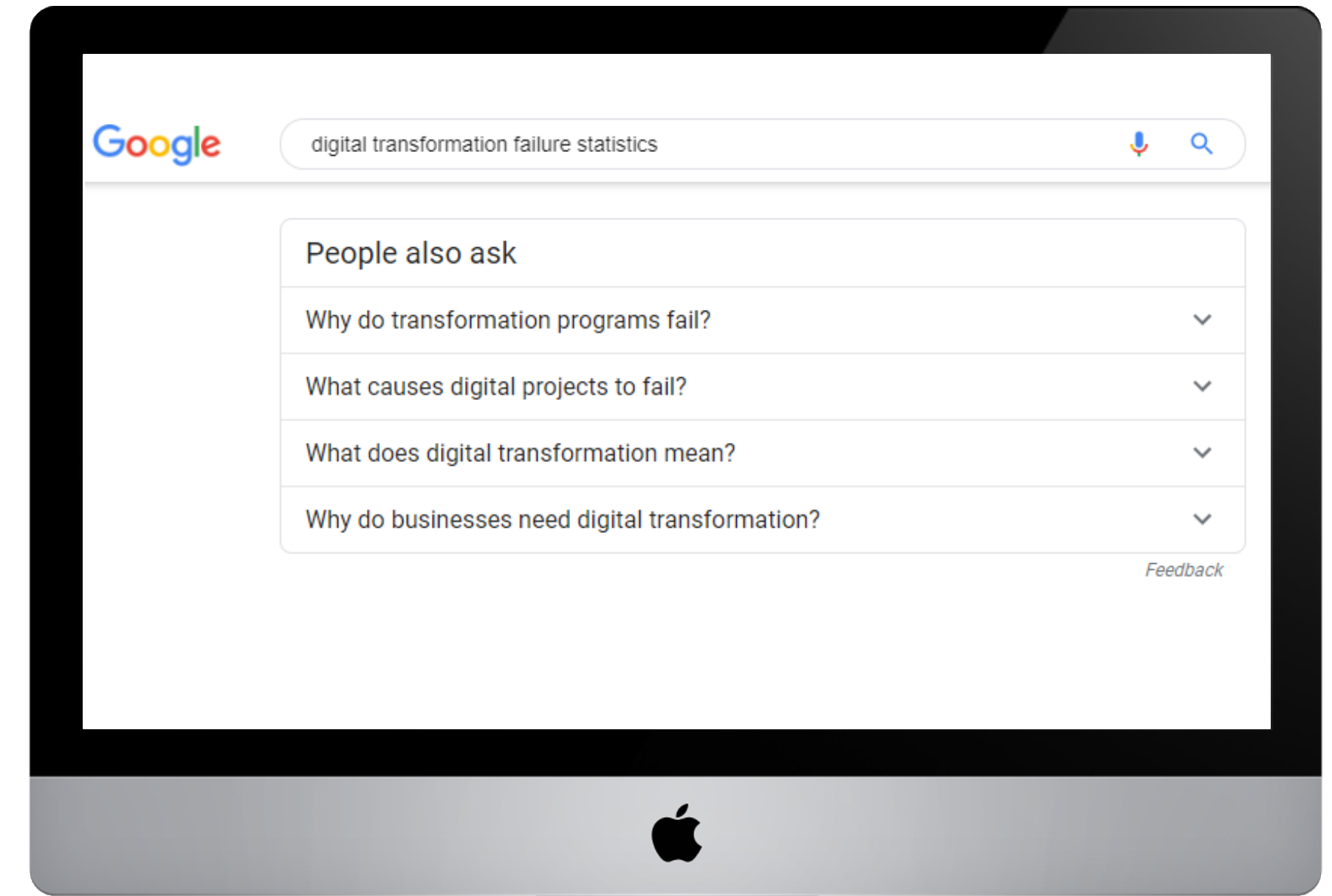
	Incumbent financial services factors	compared to digital leader factors
A	----- Intermediated & Relationship Focus	Direct CX Engagement & Focus
B	----- AUM Model (\$ making \$)	Client Acquisition Dependent
C	----- IT Resource Dependency	Product Management Freedom
D	----- Hierarchy, Slow Decision-Making	Flatter Orgs, Faster Decisions/Actions
E	----- Unaligned Goals & Disincentives	Aligned Goals & Incentives



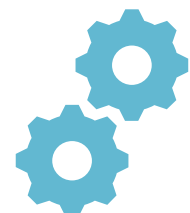
# Digital transformation failure rates are noted as 70 to 85%

## Critical issues:

- Lack of executive sponsorship
- Organizational confusion
- Underestimated scope (not broken down)
- Miscalculated risk (not isolated)
- Making the wrong bets



# Let's drill down from the macro issues to three keys for success and de-risking transformation



Governance



Decoupled  
Technology



Culture

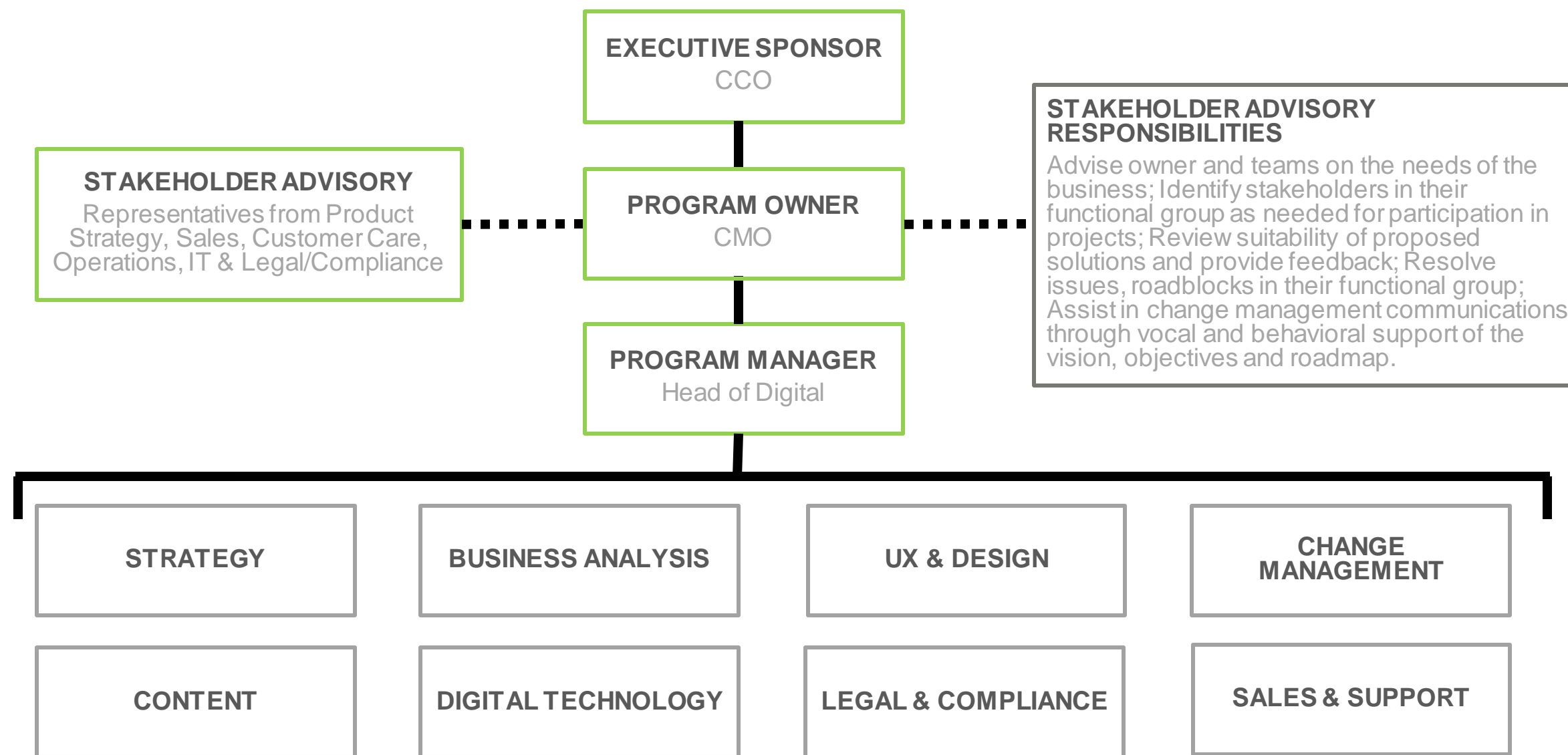
A black and white photograph of two men in business suits standing in an office. The man on the left is looking towards the man on the right, who is gesturing with his hands as if speaking. In the background, there is a whiteboard with some faint diagrams or text. The overall tone is professional and collaborative.

# Alignment & Governance

**Governance:** How we decide how things (e.g. prioritization, funding, methods, resourcing) are to be done

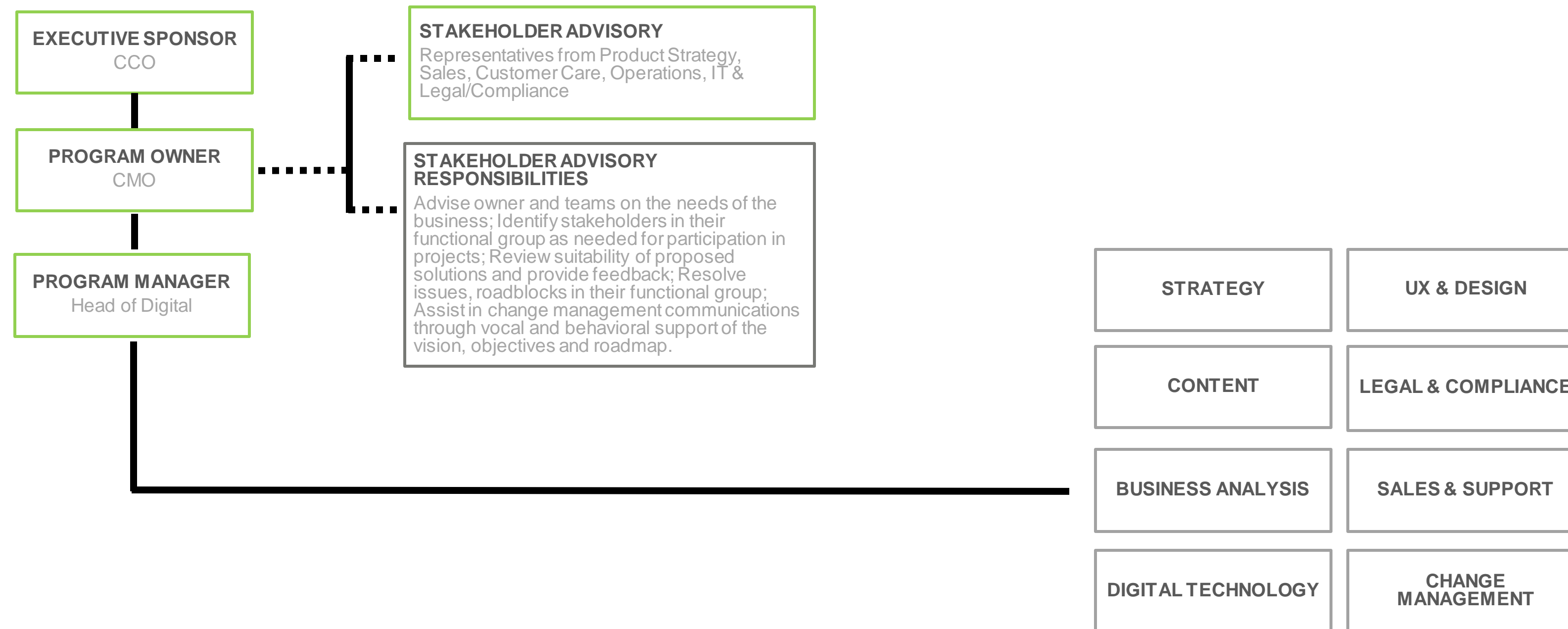
1. CCO or CMO executive committee sponsors most often drive successful digital transformations. IT leaders or Operations leaders have less transformation success they do not “own” the **commercial relationship between the business/brand and its clients**.
2. Effective governance requires **cross functional support**. Teams may ignore the “northstar”, but they align more effectively on a vision and objectives “constellation of stars” that will crystalize over time.
3. Stakeholders are always being **educated** and engaged – phase to phase.

# Example of putting digital transformation governance structure into practice



This group crosses silos, is aligned to common principles and objectives, and resolves issues.

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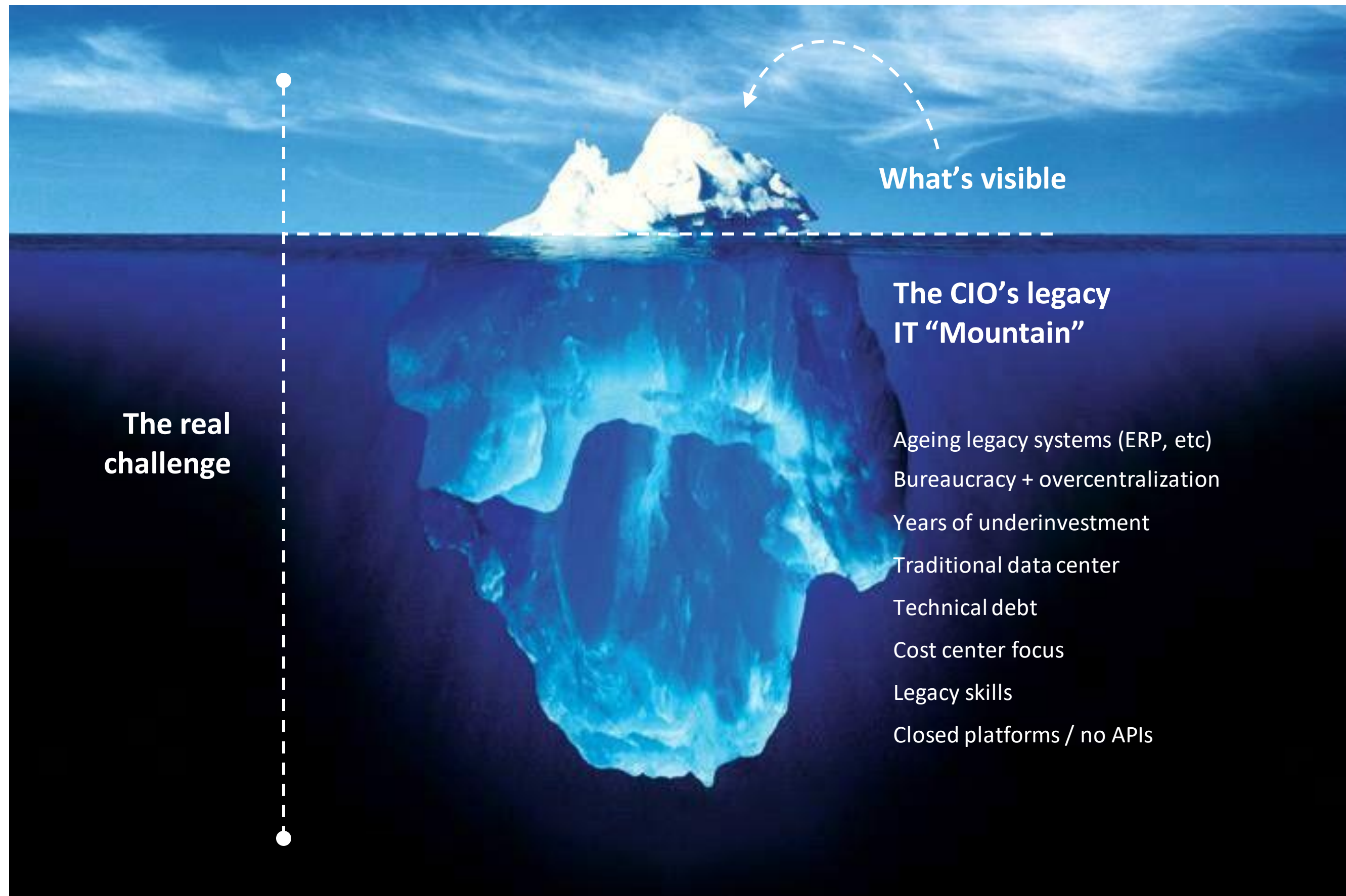


# Breaking Down Technology Risk

Legacy IT processes and traditional technology architectures are dangerous obstacles that **can sink** the transformation ship.

Monoliths and inflexibility are the big “bergs” to watch out for.

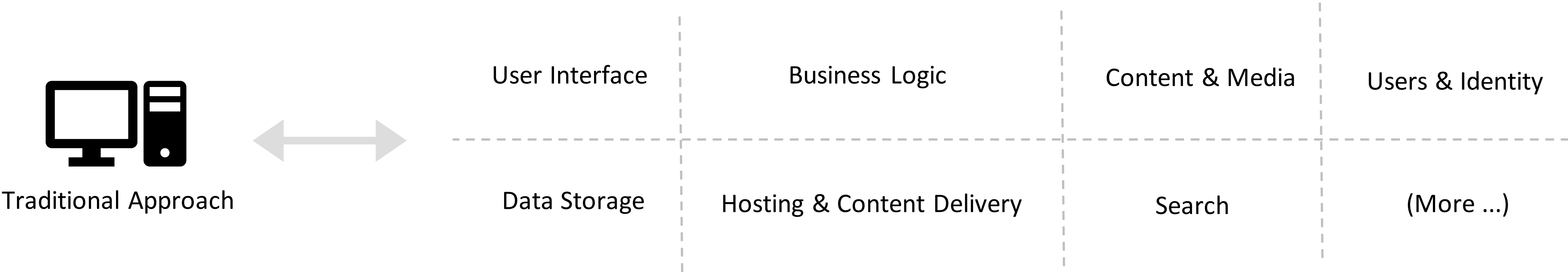
### Why most orgs have a profound challenge with digital transformation





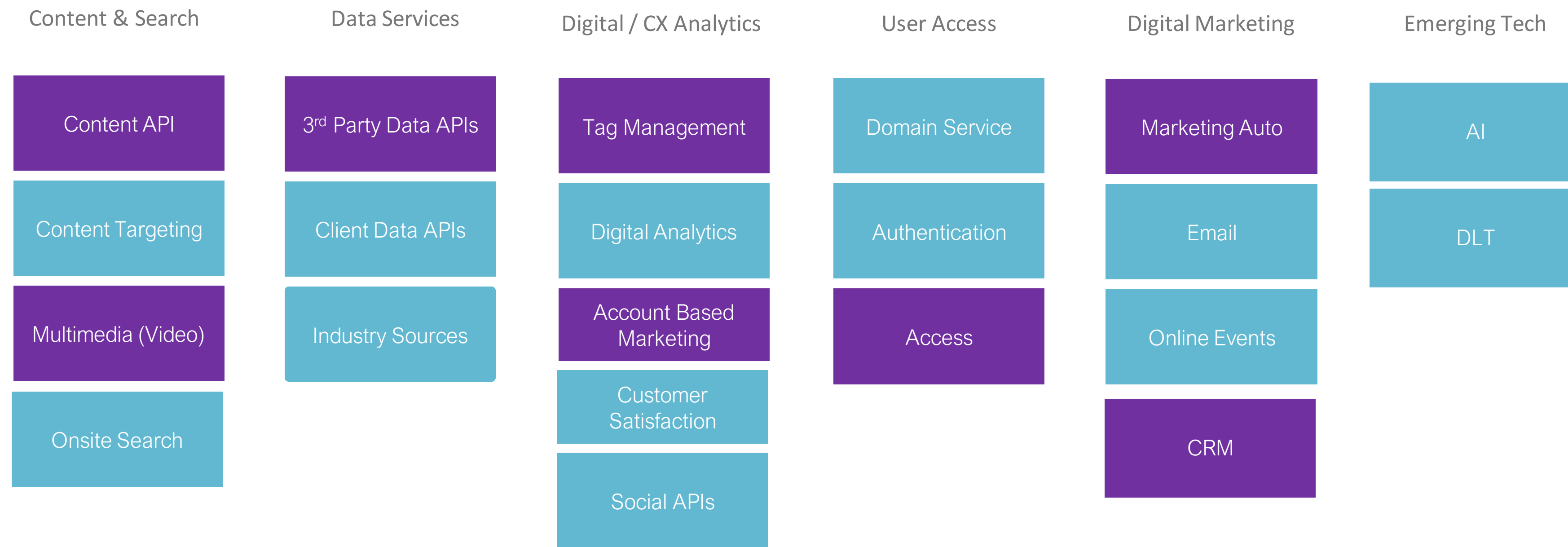
Traditional, monolithic software used in legacy IT are restrictive, force unnecessary compromises and create vendor lock-in to a prescribed vendor depended “strategy”

Dependency on enterprise architecture decisions make in a different tech era



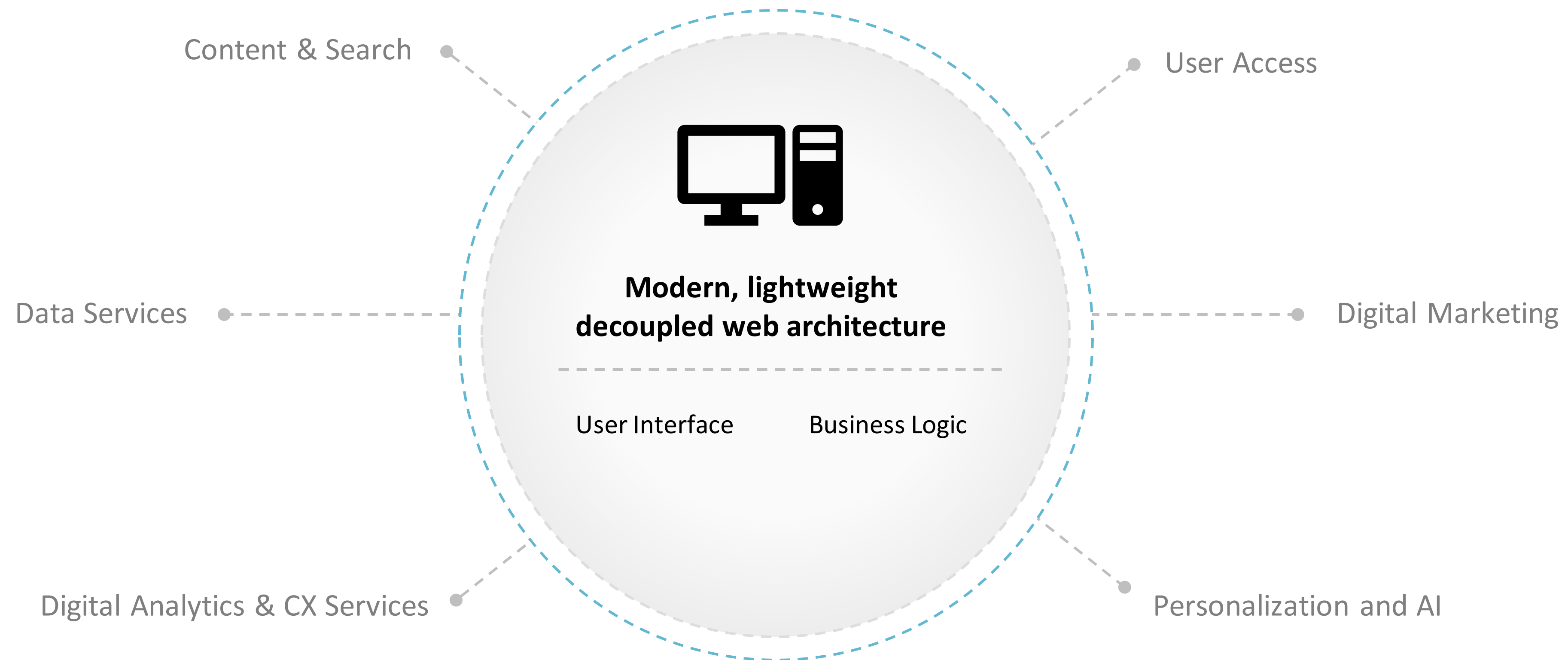
Too much program risk (time-to-market) by leaning on “COTS” monoliths

# The decoupled, component-based model supporting **critical business needs** that support phasing and much **faster time-to-market**



Effective transformers use governance forums to understand a bigger picture while helping with practical prioritization (shown in purple vs blue)

We de-risk transformation **significantly** by addressing high-risk interdependencies and integrating the best-fit tools quickly (*weeks not years*)

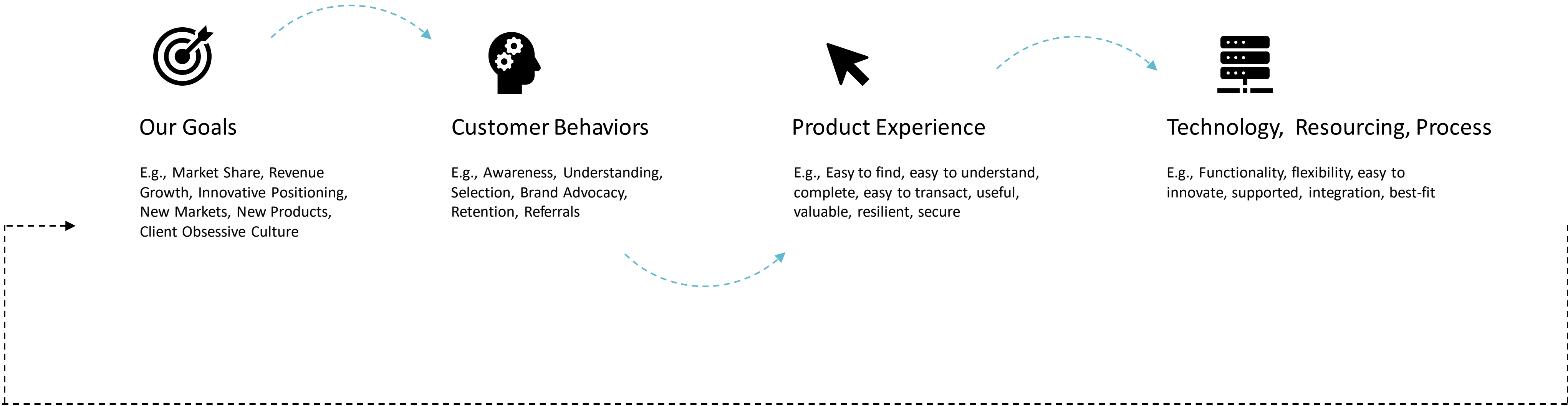




# Culture



# Most high-impact variable positively and negatively impacting digital transformations is **culture**



When culture goals and metrics are formalized, transformations have a good chance of success

# Make culture visible focus area and **measure progress**

1

Role model behaviors such as ownership, empowerment, client centricity, cross-functional collaboration and digital literacy

2

Assign culture goals to the organization – starting at the top

3

Reduce dependency on partners whose values are not aligned

4

Measure, test and improve culture iteratively – phase by phase



Companies that have no plans or actions to change organizational culture are wasting resources on digital transformation

# Mobilizing: **beacon projects** address culture activities in all phases of digital transformation

1. Scope “quick wins” as a 100-day (MOL) beacon product launch
2. Apply well accepted guiding principles
3. Ensure professional development in product management, CX and digital occurs throughout the beacon project
4. Quantify behavior changes and impact to goals
5. Engage stakeholders and provide recurring communications

Questions?



Thank you.