



Digitalisation in financial services: A ladder to higher levels of agility

When I started my entrepreneurship journey, I was quick to realise that the biggest obstacle to the proper execution of ideas was the slow speed at which decisions were being made. Just like any other company, we had meetings. Tons of them. At first, we thought that involving more people would help us to better grasp the bigger picture, or that if we met more often, it would be easier to stay on track. None of these assumptions proved to be true. In fact, as we grew, our meetings got increasingly out of control and were in no way helping us to get things done, nor were they contributing to improving overall company performance. We were in a pickle: meetings in their current form weren't helping, but we also could not do without them. There just had to be a better way.

I then discovered meeting science and what I found astonished me - both in a good and bad way. The bad part was that the average amount of time that executives spend in meetings is 23 hours a week¹. It gets worse: 67% of those meetings were defined as failures, and 65% of executives admitted meetings kept them from completing their work². If that wasn't bad enough, these pointless meetings also represent a significant cost - both financially and operationally.

Now to the good part: meetings can get better. What meeting science taught me was that I could challenge the status quo with people, the right organisational processes, and technology to create a better meeting culture. This led to the foundation of Sherpany in 2011.

Fast-forward to 2021, and a decade later this belief that a healthier meeting culture can impact companies and collaborators for the better has never been more true. We have seen enterprises embracing the transformation of their meetings and witnessed their gains in agility, performance, and resilience. We have seen how better meetings make collaborators more engaged, fosters innovation and creativity, and reinforces their commitment to the company and its success. We have seen ownership and accountability becoming the norm, and customer experience improving as a result. Magic? Hardly. Never underestimate the power of productive meetings.

Tobias Häckermann

Founder

1. [Stop the Meeting Madness](#), Harvard Business Review, 2017.

2. [Speaking Up: Surviving Executive Presentations](#), Rick Gilbert, 2014.

Introduction

The events of 2020 have forced financial institutions to rethink and adjust their plans for the longer term - a trend that appears to be continuing into 2021. Digitalisation will play a crucial role here, allowing organisations to accelerate performance across business units and markets, as well as optimising organisational processes. This allows them to secure the agility and speed that is necessary when navigating the uncharted waters of post-pandemic business.

Digital tools help to simplify and optimise processes, which translates into value-creation and improvements to both the customer and employee experience. Furthermore, data is perhaps a financial institution's most sensitive and strategic asset, and digitalisation helps organisations to protect their information and strengthen their data security practices, which is important in the headwinds of increased cyberattacks. As remote work has become the norm, financial institutions have to be increasingly mindful of their people as well as their customers. Digital tools allow us to align and energise teams, maintaining a high level of engagement and enhancing collaboration. Digitalisation therefore is one of the most powerful tools that can be employed to become more agile, create greater value, and ultimately deliver a better level of service.

This report highlights the importance of digitalisation, considering its impact on decision-making processes, operational performance, and resilience.

Table of contents

- 5 **Enhancing the quality and level of collaboration with digitalisation**
- 8 **Digitalisation as a lever for increased customer satisfaction**
- 9 **Improving regulatory compliance and data security through digitalisation**
- 10 **Using digitalisation to reinforce your company's culture and empower your people**

Enhancing the quality and level of collaboration with digitalisation

Faster decision-making and decreased time-to-market

It comes as no surprise that organisational design was a game-changer in 2020. Agile working practices, coupled with hybrid-remote operating models, facilitated faster operations and continued value creation in the face of adversity. In particular, the past year has seen a strong refocus on decision-making, a process that, if integrated efficiently into an agile organisational model, enables financial institutions to react quickly to challenges and to anticipate market changes.

Effective decision-making is all the more crucial during uncertain times. Research shows that the organisations that can take quick decisions are twice as likely to make high-quality decisions than slow-decision makers. It therefore follows that the same organisations spend less time on the process - demonstrating a real productivity gain. The same research indicates that C-suites dedicate anywhere between 30% to 70% of their time on decision-making, with 57% of C-level executives recognising that this time is often used ineffectively³.

So, what sets a good decision-making process apart from a poor one? Well, quality and speed. Decision-making processes don't have to be complicated. If anything, it should be the opposite: the more straightforward and transparent they are, the faster they will be adopted across your organisation. Setting a decision-making meeting for each component of a big bet, or having only the necessary meetings and approval loops for cross-cutting decisions will not only save you time. It will also make your decision-making processes more efficient.

3. [Decision making in the age of urgency](#), McKinsey, 2019.

Meetings are the framework for all the types of decisions that your organisation makes, from big bets to cross-cutting and delegated. Creating a clear agenda, choosing the right stakeholders, enabling effective preparation, being accountable for the decisions taken, and taking responsibility for the actions to be carried out are the ingredients behind fruitful discussions, and effective meetings lead to impactful and timely decisions.

Whatever the type of decisions your organisation makes, from big bets to cross-cutting and delegated, a robust decision-making framework makes all the difference. It involves creating a clear agenda, choosing the right stakeholders, enabling effective preparation, being accountable for the decisions taken, and taking responsibility for the actions to be carried out. It is the recipe behind fruitful discussions, and effective meetings lead to impactful and timely decisions.

Sustaining performance

Decision making, connectivity, innovation, and automation are all at the core of digitalisation in banking. These four aspects support an entire business ecosystem and redesign all the processes involved in risk optimisation, corporate control, customer experience, and the delivery of products and services. In doing so, they create competitive advantages, increasing overall performance through the delivery of superior services and an elevated customer experience.

When embedded into corporate strategy, the use of digital technologies drives the operational performance. Whether they improve data management or streamline core processes to create added value, these tools all have one thing in common. They efficiently tackle the issue of asymmetric information while supporting changes to organisational structures and processes, creating more robust alignment.

If the level of digitalisation already correlated with better performance before the pandemic, this will only grow increasingly pronounced in the 'new normal' of the post-pandemic era. Recent research predicts that "IT services spending will begin to rebound as banks accelerate reprioritised modernisation initiatives in 2021"⁴. Investment in technologies will not be confined to digital banking alone. Security, privacy, and analytics also top the list of priorities, alongside strategic investments to prepare for the future of work and secure the level of flexibility, adaptability and collaboration to account for the increasing adoption of remote working practices.

4. [Gartner Forecasts Worldwide Banking and Securities IT Spending to Decline 4.7% in 2020 Before 2021 Rebound](#), Gartner, 2020.

Growing resilience to navigate operational uncertainty

Resilience is a balanced hybrid of digital and human capabilities. It is no longer a matter of reviewing continuity plans, but instead anticipating the next 15 to 18 months. A decade ago, what seemed like disruptive innovations are now standard practices: data management, artificial intelligence, and cloud computing are all staples of the mainstream. As the landscape has shifted, so too have clients' expectations and behaviours. Digitalisation opens new revenue streams for financial institutions and offers unprecedented opportunities to work better, faster and in greater synchrony in the face of rising risks and operating costs.

The resilience of operating models has proved crucial during the pandemic. It will still be a significant asset for financial institutions, providing adequate control over their business and organisational processes⁵, especially as remote working is here to stay. Digitalising core processes to support operational agility through revised governance mechanisms, streamlined collaboration, and adequate documentation are a few examples of how building healthier and more resilient business models will be an asset to the banking industry.

5. [Global Risk 2020: It's Time for Banks to Self-Disrupt](#), Boston Consulting Group, 2020.

Digitalisation as a lever for increased customer satisfaction

Digitalisation has created new ways of collaborating. For financial institutions, the use of digital tools is a means of improving productivity by making collaboration easier across teams and business units. This productivity gain not only translates into profits and more robust regulatory compliance; it also positively impacts the entire customer experience.

Digitalising business and organisational processes is a clear source of value creation. Repetitive or highly time-consuming tasks that carry little to no value can and should be automated. Delegating certain tasks to artificial intelligence, for instance, gives collaborators time to focus on higher-value projects. Likewise, the more that processes require frequent communication between stakeholders, data sharing, and decision points, the more they benefit from being digitalised to bring clarity, transparency, and speed.

Digital teams exhibit higher levels of ownership. They work more fluidly and can navigate seamlessly between different business lines and market segments. The empowerment given by simpler and more transparent processes translates into greater value for the customers. With collaborators truly owning their products, services, or journeys, and having the right tools to collaborate, share information, and make timely decisions, speed and execution become the norm. Agile working boosts [customer-centricity](#).

Improving regulatory compliance and data security through digitalisation

In this digital era, it is impossible to operate without data. Indeed, data, or as mathematician Clive Humby coined it, “the oil of the 21st century”, has become a highly strategic asset that creates distinct competitive advantages. Many organisations were forced to transition suddenly to working fully remotely. Systems were put in place overnight to ensure the continuity of operations, in some cases without time for planning. This made mitigating cyber risks challenging.

The Swiss financial industry, just like any other, recorded a higher number of cyberattacks in the first quarter of 2020 compared to the previous year. A survey of 53 cybersecurity executives in Switzerland highlighted that cyberattacks are considered the most critical threat, before security architecture, and risk management⁶. Among these attacks, ransomware, malware, and phishing are the most common, due to the increased use of emails, vulnerabilities in a third-party technology, and a distracted workforce.

It is imperative to select software partners who value the security of your data. This is especially relevant as full or semi-remote working arrangements are likely to become the norm, therefore raising cyber awareness and reinforcing best practices alone will not be enough. New and secure digital tools will be needed to collaborate and share sensitive information, whether transmitted as documents or via video conference. Financial institutions have to show diligence when digitalising their collaboration, communication, and document-sharing through different platforms and turn to **GDPR-compliant** enterprise software providers to secure one of their most strategic assets in light of the increased cybersecurity risks.

6. [Cyber Security Report 2020](#), SIX, 2021.

Using digitalisation to reinforce your company's culture and empower your people

The past year brought with it a lot of challenges. Financial institutions successfully managed to switch to working fully remotely, but as this unprecedented situation lasted, 'pandemic fatigue' levels have risen⁷. In a professional context, mental fatigue is the cause of disengagement, demotivation, a feeling of disconnection, or even burnout. As remote working will likely endure, organisations have to focus more on the wellbeing of their people, grounding their work in values and purpose.

Culture and values

Engaged collaborators are emotionally connected to the company they work for. They feel accountable for its future and identify with its values to the point that they become ambassadors, both inside and outside of work. But this is not all: engaged collaborators are proven to perform 35% more effectively. What drives this connection? Fair and caring leadership is the answer.

In practice, many organisations have already implemented policies that cater to their collaborators' emotional needs, in the form of schemes that protect their work/life balance, allow their professional development and upskilling, and foster the quality of the relationship with their line managers. But these were often designed for in-person settings. How can managers maintain a relationship of proximity with their subordinates in a virtual space?

7. [Pandemic fatigue – reinvigorating the public to prevent COVID-19](#), Policy framework for supporting pandemic prevention and management. Copenhagen: WHO Regional Office for Europe; 2020. Licence: CC BY-NC-SA 3.0 IGO

The role of meetings

The number of meetings hasn't decreased with remote working - in fact the contrary is true. Research has found that the number of meetings and the number of attendees per meeting has in fact increased by 12.9% and 13.5% respectively since the first lockdown⁸. Necessity rules, of course, since meetings are an unavoidable part of many processes. But rather than considering them as a necessary evil, managers could instead turn these frequent interactions into a unique opportunity to re-energise their teams.

After all, from the meeting room to the football pitch, the same elements drive engagement. First, you need an inspiring coach: their vision will set the framework for his team to thrive. Then, you need to empower each and every member of the team. They have to know the strategy, the objectives, their role precisely, and have the right tools in order to succeed. In meetings, this translates into creating **psychological safety** and ensuring that each collaborator has the right information to contribute their best based on a clear understanding of the goals to reach, as defined in the agenda. It is the coach's responsibility, or in this case, the meeting lead, to ensure that speaking time is evenly distributed, that decisions taken are recorded, and that action points are clearly assigned.

Teams who feel safe are more curious, resilient, and creative. Quality preparation, grounded in the accessibility and transparency of information, empowers people. A fair and caring moderation of discussions, coupled with a clear definition of roles, ensures that everyone knows that they have a say, resulting in all participants' active involvement in the exchange of ideas. A healthy meeting culture reflects and reinforces a company's values and contributes to collaborators feeling recognised and part of the team.

8. **Collaborating During Coronavirus: The Impact of COVID-19 on the Nature of Work**, Evan DeFilippis, Stephen Michael Impink, Madison Singell, Jeffrey T. Polzer, and Raffaella Sadun, NBER Working Paper No. 27612, July 2020, JEL No. L2,L23,M0



Let us help you reach new heights

At Sherpany, we understand that meetings are an integral part of many of your organisational success. Our mission is not only to give you the tools to streamline the entire process in the most secure way: we also want to make every one of your meetings count. We want you to have meetings where every participant is highly engaged and willing to share their expertise to help you make optimal decisions. We want your meetings to be a flexible space that adapts to your needs and the needs of your collaborators, and not the other way around. We want your meetings to be a creative room in which big and bold ideas come together. We want you to have the best and empowering meeting culture to reach new heights. In 2021, let us help you meet better.

To know more about how Sherpany can help you reach your goals, please contact:

Luciana El Khoury

luciana.elkhoury@sherpany.com

Yannick Streicher

yannick.streicher@sherpany.com