



INFOCORP

helping people LOVE their bank

We start
from **WHY** 1

We ~~hate~~
digital 1

We DON'T WORK
WITH
Government 1

Open
knowledge 2

Not-only-money
POWER 2

We love
digital 1

Open
process

~~Team~~
Community 1

**Power
of
idea** 1

Digital
Transforma-
tion

Design Thinking for Banks

That's what everybody is talking about...
but just a few are applying.

Incremental innovation versus disruptive,
required skills to innovate, how startups do it and
concrete areas of implementation for Banks.
Go ahead!

Creative in
PRODUCT
development 2

Digital
AS
RESTRICTION 1

Customer
development
and research 1

Invisible
digital 2

Passion

WE DON'T
make
useless
PRODUCT

We all know that innovating is a must today. Companies who don't evolve will die. One of the strategies to do it, although not the only one, is Design Thinking.



Design Thinking started being developed in theory at Stanford University in California (USA) in the 70s. It was used in the business environment for the first time with that name by the design consultancy IDEO, nowadays being its main precursor.

According to Tim Brown, current IDEO CEO, Design Thinking “is a discipline that uses sensitivity and designer methods to make people’s needs coincide with what is technologically feasible, and with what a possible business strategy can transform in value for the customer, as well as a great market opportunity”.¹

It is one of the work methodologies and philosophies most widely used in today’s innovative organizations, who seek to solve all kinds of problems through a group and interdisciplinary approach, using creative techniques (not only design techniques) focusing on and starting from a human centered perspective.

¹ “Design Thinking article: Thinking like a designer can transform the way you develop products, services, processes—and even strategy” Tim Brown, Harvard Business Review: <https://hbr.org/2008/06/design-thinking>

Which types of innovation there are, and which skills do they require?

Before digging deeply in the **Design Thinking** techniques, we will elaborate on the concept of innovation: a word very in fashion today, but not always well used. We can basically say that there are two types of innovation: **incremental and disruptive**.

Incremental innovation seeks and creates new ways of doing things, offering products and services or new business models, which generally means an improvement in the user and customer experience, and/or an improvement in the organization productivity.

On the other hand, **disruptive innovation** is the one that modifies industries completely, something that takes place today more frequently, thanks to the use of technology and the accessibility to it. This type of disruption is usually seen as a threat, but also as an opportunity if we think that we ourselves can provoke said disruption.

One way or the other, certain skills and capacities are needed to achieve it, which are the ones attributed to startups.



Which are the skills required for an organization to be able to innovate?

1. Being digitally competent

It's not a matter of general culture anymore, knowing where technology goes, but it's essential to stay updated to the trends, because sooner than later they will have an impact on us. Which are these technologies? What is artificial intelligence in all its form (machine learning, deep learning, computer vision, natural language processing, etc.?), what is the Internet of Things (IoT), blockchain, robotics and automation? One way of achieving this skill is carrying out internal trainings through conferences, webinars, workshops and even with fun techniques and internal challenges.

2. Developing the capacity to experience things

The traditional management method focuses on results. However, entrepreneurs aren't enlightened people who have an idea and carry it out without obstacles overnight. In fact, the most successful startups follow the Lean Startup methodology², which can be summarized in making a prototype or Minimum Viable Product, test it with users, measure to learn what works and what doesn't and modify it in a continuous cycle of iterations. In order to learn, we need to experience, make mistakes, with limited risks, in a culture that fosters learning and creativity.

At a bank, one can foster this skill by creating internal challenges in the different areas, where collaborators can be invited to propose and test solutions for the different problems or inefficiencies identified.



² Lean Startup is a methodology to develop businesses and products that aims to shorten development cycles of same, by adopting a combination of experimentation driven by hypotheses to measure the progress, iterative product launches to gain valuable feedback from customers and validated learning to measure how much has been learned. This methodology was developed by Eric Ries, influenced by the Lean manufacturing methodology, created by Kiichiro Toyoda, and the customer development model by Steve Blank.

3. Treating users in a customized way, no matter how many there are

Today's digital technology allows to focus on the user experience, which is paramount. And that implies giving each person what they need, with the least friction possible. It's no longer enough to considering the user's needs upon designing a project. Once we gain the customer's loyalty and keep him as a recurrent user, we must customize their experience according to the evolution of their relationship with our brand. This is possible by using, for example, IC Marketing Automation (Prisma), which allows to send customized messages to every person through different channels in which they interact with the Bank.

A GOOD PLATFORM WORKS IN 4 PHASES

1
It gathers data from each customer and perfectly understands their potential and needs.

2
It helps create and design customized and contextual campaigns based on the previously processed gathered knowledge.

4

It selects and prioritizes among an amount of previously loaded messages, the most proper one for each person at each specific moment, based on their circumstances and business objectives.

2

It executes campaigns, sending hundreds or thousands of different messages per second via various channels, in such a way that every message that a person receives gets them thinking: "this is exactly what I need".

3

The right selection of the proper marketing platform starts with good understanding of your needs and the characteristics of same. You should then move forward considering the way of commercializing it, the onboarding process and the team that will provide you with services and support once it's deployed.

4. Always questioning the business model

Adapting to the changing market and technology paces implies to always question our business model. Any setback in the market evolution can make a company obsolete overnight. That's why, even if we are seeing good results, and even better when we are seeing good results, we must question our business model leveraging trends. The Netflix case is a clear example of how to do it. From DVD rental, to streaming, and then the production of their own contents.

How to do it at the Bank? For instance, generating multidisciplinary spaces with defined regular frequency to make brainstorming processes guided by internal leaders or external professionals. And starting with small collateral service test to see which ones conquer their audience. To use it as a spin-off in the future.

How do startups work?

In order to better understand what innovation is, we need to talk about their protagonists: startups. Understanding what they are and how they work is a great exercise to start thinking as one. For that, we are introducing the definitions of 4 great risk capital experts.

Steve Blank

“A startup is a temporary organization designed to search for a repeatable and scalable business model”

According to Steve Blank, professor at Silicon Valley and one of the big leaders of modern entrepreneurship, “a startup is a temporary organization designed to search for a repeatable and scalable business model”. By speaking about “temporary” Blank asserts that it won’t always be a startup, the idea is that those who are behind a business project, in a term of no longer than 3 years, manage to make it into a strong and profitable company. However, the fact of being constantly looking for that business model talks about a high uncertainty level, where facts and evidence move in another lane, and where risk and insecurity become an everyday thing.



Steve Blank is an entrepreneur born in 1953 in the US, pioneer of the Lean Startup methodology, in which he manifests that the rules of the games of traditional companies don't apply for startups.

Dave McClure

“A startup is a company that is confused about what its product is, who its customers are, and how to make money”

Dave McClure, co-founder of the 500 Startups investments, holds that “a startup is a company that is confused about what its product is, who its customers are, and how to make money”. This confusion goes beyond “having a great idea”, but it has to do with putting it to the test, by knowing the customers very well and managing that creativity to be a scalable, repeatable and stable model.



Dave McClure is an entrepreneur and angel investor born in the US in the year 1966, co-founder of the venture capital fund in the initial stage and a business accelerator founded in 2010: 500 Startups.

Marc Andreessen

“A successful startup is the one that has reached a good market fit”

Marc Andreessen, currently one of the main partners of the risk capital firm Andreessen Horowitz and author of the famous phrase “Software Is Eating the World”, says that “a successful startup is the one that has reached a good market fit”. This term, coined by the above-mentioned Lean Startup methodology is the Holy Grail of entrepreneurs: having created the product or service that customers desire or demand for. It’s the moment when they find what customers want, and they manage to offer it to them. It’s not the most elaborated product or service, nor the most beautiful one, but it works.



Marc Andreessen is one of the main partners of the venture capital fund Andreessen Horowitz. He’s the co-founder of Netscape Communications Corporation and co-author of Mosaic, one of the first web browsers. He was born in 1971 in the United States.

Paul Graham

“An idea for a startup is an idea of something that people want”

Paul Graham, founder of Y Combinator, one of the world’s most important startup accelerators goes in the same line. Although he doesn’t have a very well-established definition of what a startup actually is, by talking to those who undertake startups, he insists on the fact that it’s about building “something that people want”. Following Andreessen’s line, Graham asserts that many projects fail before they do something that people want, and the most common way to fail is to run out of money. Evolving ideas is the realization that users are being well understood.



Paul Graham was born in the UK in 1964, he’s a Lisp developer, venture capital investor and essayist. He’s the co-founder of Viaweb (sold to Yahoo Inc. in 1998 for an approximate value of 49 million dollars) and he’s also the co-founder of Combinator, a startup accelerator and seed capital firm.

Are ideas in fashion?

All companies are full of people with ideas. But in the past, these used to be welcomed only if they came from middle or senior management positions. Now, how do more innovative companies currently go about building a creativity and innovative culture at all levels? How do they manage to leverage the human capital in a world where the idea of entrepreneurship usually results very tempting? But also: How can they capitalize on the experience of first line workers, who are the ones who truly know the customers? The answer to all these questions is: Design thinking.

The origin of Design Thinking

This methodology has many origins (Bauhaus school, Germany in the 20', University of Stanford in California, USA from the 70') but it was IDEO, a global design and innovation company, who managed to take it to the next level. Founded in Silicon Valley in 1991, as part of the join-venture of three small companies (David Kelley Design, USA; ID Two, San Francisco and Moggridge Associates, London), it has worked with big companies such as Apple, HP, Motorola, Logitech, P&H, Zenith, Samsung, Microsoft, as well as international organizations and governments. Starting from the notion that we are all creative people, IDEO believes that “Creative organizations are more agile” and that “Complex problems are best solved collaboratively”

“We are increasingly more focused on human-centered design, which is about the design and personality of behaviors in products”.

David Kelley, co-founder of IDEO

For his part, David Kelley, one of the co-founders, named then one of Silicon Valley most powerful personalities³, was the promoter and creator of Hasso Plattner Institute of Design at Stanford University⁴, also known as d.school, famous as the first program of its type to teach “Design Thinking” as an innovation tool. In fact, it was him who created and coined the term “Design Thinking”, since his students didn’t pay attention when he referred to them as “design methodology experts”.

“During many years, I said to my students: "You are experts in design methodology”, but nobody paid attention. They didn’t take it as a new or innovative idea. They didn’t believe it. For some reason, the words “Design Thinking” resonated in them.”

David Kelley, Co-founder of IDEO⁵

³ <https://news.stanford.edu/pr/00/000301Kelley.html>

⁴ <https://dschool.stanford.edu/>

⁵ Interview to David Kelley “From Design to Design Thinking at Stanford and IDEO”
<https://www.sciencedirect.com/science/article/pii/S2405872616300065>

Stages of a Design Thinking process

1. Empathize with users

You need to truly know people and care about their lives in order to create significant solutions. In that sense, empathy helps understand problems from the final user viewpoint. This means to place human needs before anything else. Ideas will impact people only if they respond to an actual need or desire. This demands for a deep comprehension of how they behave and interact, which their weak points are and what their experience is missing to be great. That's what empathy means in an ideation environment.

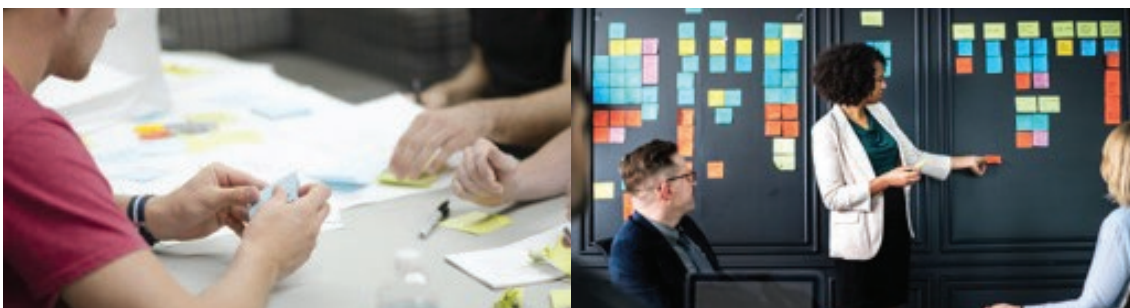


2. Defining the problem

This stage of the definition makes use of the information obtained from the empathy in order to create a concise description of the problem. With this information, an answer can be defined, and broad enough parameters can be established, as to give room for creative suggestions and narrow enough for them to be solved. The solution should be feasible and scalable. It cannot be based on unreachable materials or technology.

3. Ideating solutions

This is the famous **brainstorming** moment. It's about a divergence space in which a diverse group of people propose ideas without censure. That is to say, every idea is valid, and everything is combined from the unconscious and conscious thinking, rational thoughts and imagination. But, for the ideation process to work, it's necessary to separate the ideas generation area from the idea assessment area. Once they have a considerable amount of possible creative solutions, each one is analyzed, dismissing all those that for some reason don't adapt to the reality of the final user or the company possibilities to be deployed.





4. Prototyping ideas

In Design Thinking, we talk about “low-fidelity prototypes”. This doesn't mean that it needs to be an extremely elaborated object that takes a long time to be manufactured, but rather the opposite. It's about anything with which one can interact. It can be a post-it, a folded cardboard, or an activity, and even a storyboard. Ideally, it should be something with which the user can work and experiment. That way, we make sure that we don't waste time or money in expensive technology developments that might not work later.

5. Testing the solution

Once the best solution has been identified and developed, it's necessary to start a beta testing stage to attract final users. It's about observing how it works, how users react and analyzing if it solves the initial problem successfully. Gather feedback and identify mistakes, issues, or bottle necks. And then, solve all problems. If the solution works according to the specifications defined by the team, then they know they have a successful launch ahead.

Free material in Spanish to learn more about Design Thinking



Quick guide: introduction to Design Thinking + Bootcamp bootleg d.school, Stanford University

It's about an adaptation of two documents about Design Thinking from d.school of Stanford University, that arose due to the need to be conveyed in Spanish to be used as an active tool to practice Design Thinking.

<http://guiaiso50001.cl/guia/wp-content/uploads/2017/04/guia-proceso-creativo.pdf>



Human-centered design - Toolkit - IDEO

Even it's more about an innovation guide designed for social entrepreneurs, this Design Thinking Toolkit goes across the entire methodology process in a clear way, the IDEO way, showing success stories that could be considered for any organization seeking to innovate.

<https://www.ideo.com/post/design-kit>

User Journey map: a visual tool to innovate

Another tool we recommend using to generate innovation processes is the User Journey map. A User Journey Map is a tool that allows to represent and interpret in a visual way all the relationships and experiences that a user has with a brand, service, or product in each stage of the purchasing process and through different channels. Therefore, the result is a user map that helps to better understand their needs, intentions, and desires. And, especially, think about how each of these stages can be intervened to improve the experience every step of the way.

The first thing we are going to do is divide the workspace into the three following areas:

1. Interaction stages:

Here the idea is to enumerate chronologically the stages in which the user interacts with the company.

2. Points of contact:

Here the means in which the customer interacts with the company during that stage are established (example: web, app, phone, in person, chat, etc.). Once the User Journey Map has been finished, specifying these points helps identify which means are failing and where the efforts have to be reinforced.

3. User actions:

It's a brief description of what that person wants at that moment, as well as the action that he performs to achieve it.

4. User emotions chart:

That's where you register the emotions of that user at that specific stage. You can use emojis, colors, texts, charts, etc. It's important to identify where the pain points experienced by the person are, because that's where the actual opportunity to innovate is; that's where there's a chance to improve the customer satisfaction through process improvement (either sale or post sales) or an innovation in the business model.

5. Insights or improvement points:

A section can also be added below this map to write insights, improvement opportunities for each stage. They can be suggestions of subtle changes that might generate impact on the user experience with a simple space reorganization (for instance, changing a counter from one place to another), or more drastic changes, that entail investment by the organization (for instance, digitalizing certain process, hiring more staff, etc.).

Now we will map the interaction process of a customer, named Lucía, with her bank:



Lucía lost her debit card and wants to report the loss and have a new one sent to her home. She's a bit frustrated for having lost it, but she believes that it should be pretty easy to request a new one.



She goes into her bank's website and tries to report and request a new debit card, but she cannot find that information. She is frustrated but isn't discouraged.



She tries from the app, but also has no success. She doesn't understand why it's not possible to perform that action digitally, so she starts getting upset.



She makes a phone call to Customer Service of her bank, and they tell her she needs to go personally to a branch to report the issue. She gets even more upset because she has to leave her house.

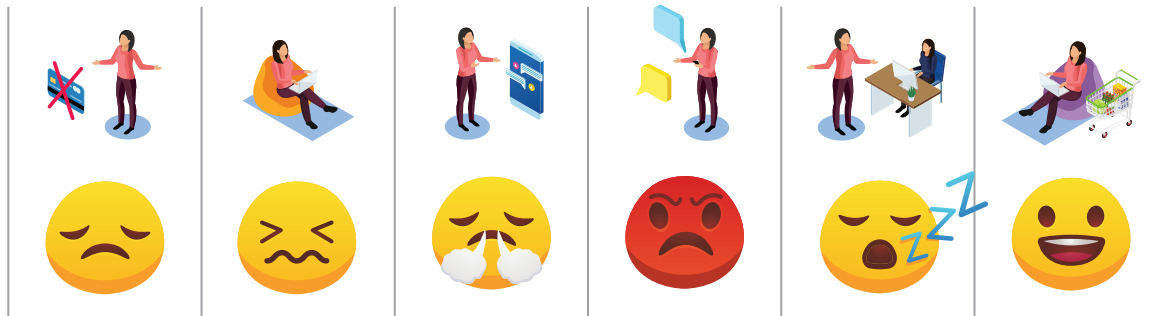


She goes to the branch nearest to her house, thinking that it might take a while for them to assist them, but in 15 minutes she manages to do the entire report and leaves with her new card that will be activated in 24 hours. She's happy for solving everything so fast, even though she had to go personally to the bank.

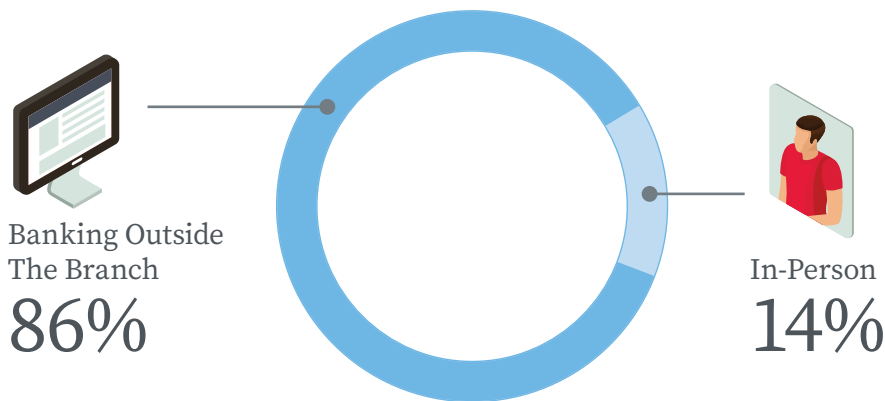


The following day, Lucia makes an online purchase at the grocery store to test her card, which works perfectly fine. She's finally happy that she doesn't have to worry about that issue anymore.

Right after or at the same time of mapping Lucía's entire experience with all the details described, some space is added below to record that user's emotions at that specific stage. You can use emojis, colors, texts, charts, etc. It's important to identify where the pain points experienced by the user are, because that's where the actual opportunity to innovate is; that's where there's a chance to improve the customer satisfaction through process improvement (either during the sale or post sales) or an innovation in the business model.



Banking experience: What should we achieve through techniques such as Design Thinking?



During the next 24 months, what is your priority to invest in customer-oriented technology? Answers confirm that banking outside the branch is the main priority for the bank.

Source: Banking on Relationships: How the banking industry's top decision-makers are rethinking customer engagement for the digital era. Bill.com

1. Humanized digital experience

Digitalizing shouldn't mean objectifying. We live in an era where Artificial Intelligence has generated the capacity to access and analyze data that improve processes and help make decisions regarding the connection with customers. By learning more about consumers' digital behavior, banks can increase customization capacity, as well as giving more context to interactions. Techniques such as **Microcopy**, the usability and conversational language help improve experiences.

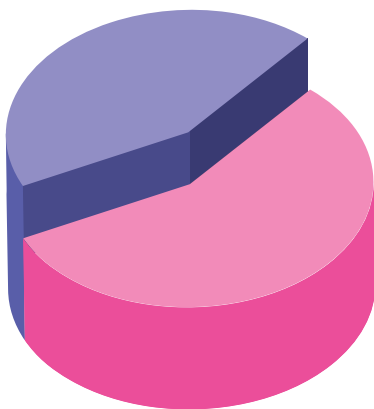
However, we all know that it's impossible to compete against a truly human interaction. No matter how digitalized the Banking experience is, customers will always want strong integration of human capacities. For that, they should be able to access one person, in case they don't find the solutions in the channels they use.

2. Omnichannel experiences

The current customer is much more demanding and sophisticated than the one from some years ago, especially after the COVID-19 pandemic. He uses multiple devices and a variety of channels to perform his tasks and expects to have the same experience on all of them. Banking consumers don't want to see obstacles or limitations or have interruptions nor frictions while they switch from one device or channel to another. To achieve this, it's paramount to have a centralized platform as IC banking, from which they can manage all their channels frictionless.

3. Customization and IT architecture

According to a study carried out by the American company Salesforce⁶, 62% of consumers expect companies to adapt based on their actions or behaviors. The same study found that only 47% of consumers believe they are receiving this level of customization nowadays.



62% of consumers expect customization

47% of consumers believe they are receiving good customization

Source: Salesforce

To help banks in their customization processes, IC Mobile offers a truly customized experience, since it's very different what each user sees according to their previous behavior within the App.

⁶ <https://www.salesforce.com/resources/articles/customer-engagement/>

4. Anticipating to the needs

Through applying technologies such as artificial intelligence and big data, the financial sector managed to have a new way of approaching users, through which they are anticipating their customer capital needs by analyzing their transactions and chronological behavior pattern related to this. Technology allows them to capitalize on this information, while staying close to their customers at the right time and offering a product perceived as it has been custom-made for them.

Anyhow, we shouldn't leave aside, in this era of cross-wide technology implementation, the financial system transactions, the high value of users and regulations regarding the proper management of personal information. It keeps being essential to guarantee the security of information management to generate the least friction possible with the customer, for instance, through blockchain technologies used as unchanging information records.

5. Automation in regulations compliance

Nowadays, financial institutions are resorting to technology to comply with information requirements and regulations imposed by either national authorities or by their headquarters. In order to significantly reduce time and costs, through technology they manage to optimize processes, improve the organization internal control, promote efficiency and ultimately, improve the final user experience. There's still a long way to go and it's only expected that especially big world powers regulators be actual promoters of these innovations. These measures collaborate with a more transparent and reliable financial system.

A good opportunity to apply Design Thinking

This term has been spread all over the Internet in the past few weeks: **Metaverso**. An even more surrounding virtual world, to which we'll access through augmented reality headsets, with which for instance, we'll be able to talk to a Bank agent from our home, but seeing their hologram, or where we'll use credit cards to purchase virtual goods. What about planning a workshop to start thinking how the bank could be a protagonist of this new reality?



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