

CASE 3

ING as a Frontrunner

For many people, banks stand for solid, big, arrogant and somewhat dull organizations. Outdated constructs and systems led the banks to a position which is no longer viable. In order to adapt to the swiftly changing context and increase their chances of survival, banks need to be more agile. The example of ING provides us with an insight into transformation triggers and how to successfully create an agile organization.

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In the banking sector, new technologies (like Blockchain, AI, Robotics, Data Analytics, etc.) and new players that act like banks (e. g. Alibaba, Apple Pay, Google, Amazon) are constantly challenging the status quo of the financial industry. As a result, many banks are becoming IT companies with a banking license. Most of them use data mining as a growing field of possibilities. With the huge amount of data a bank possesses, it can have an enormous impact on clients. IT companies and departments are frontrunners in agile transformations and can function as an »agile push« within organizations. Change is in their DNA and regarded as normal practice. This can set an example for the rest of the organization.

Winning an exchangeable sector

Most of the products banks offer their customers are quite similar; the differences are mostly in the customer experience. IT companies are setting the standard for that experience and forcing banks to change their way of delivering their services. Nowadays, the virtual world (e. g. Facebook, WeChat, YouTube) is where people spend most of their time buying products, being

entertained, learning, communicating, and so on. To reach customers, a bank has to be present on the same platforms. In order to ensure their chances of survival, they have to respond to these trends and consequently redevelop their ways of working. Doing nothing is not an option; banks in their »old« form are no longer needed.

An example of scaled agility

Let's take a closer look at how ING transformed itself. Like every other organization starting its journey towards agility, ING was looking for examples in order to become inspired. Companies like Spotify, Zappos, Netflix, Google, etc. created a way of agility that ING wanted to achieve. However, copy/paste alone would not have worked. As a pioneer in its field, ING had to adapt the principles of these non-banks and make them their own. Agility is about process, structure and – above all – mindset.

A common challenge for all those companies is the scaling factor. This applies to all organizations where digitalization is key. Teams form the basis of every agile organization. They should be as autonomous as possi-

ble within their team purpose and the defined strategy of the organization. When thousands of those teams exist, the need for scaling or aligned autonomy is born.

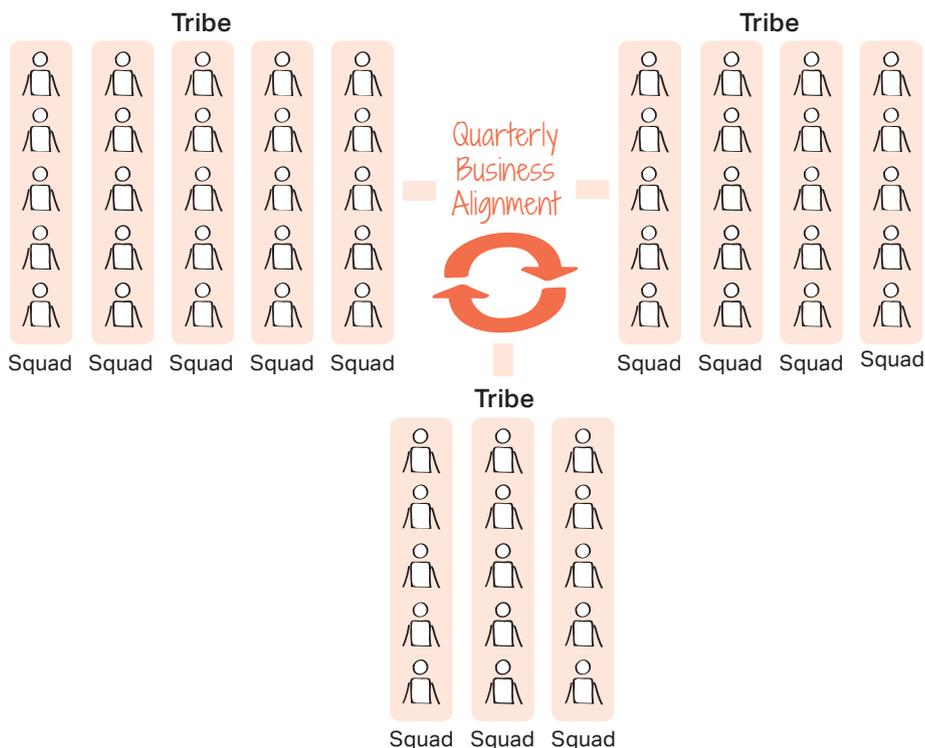
Building on a vision

In the world of banks, ING is a frontrunner. They aimed for more agility in order to have a shorter time to market, boost employee engagement, reduce impediments and handovers, and – most importantly – improve client experience. They follow the vision that in the end, the entire organization is built around aligned autonomous teams; not only in the traditional domain where products and services are created and maintained, but also in the domain where the products are sold to the customers, the domain where the sold products are serviced (like operations, credit risk, IT) and all the teams in the support organization that help the other domains to excel (like HR, Legal, etc.). ING combines process, structure and mindset in order to globally align all of those teams.

Creating a flexible structure

In terms of structure, ING created models that apply best for every domain. Squads define their own purpose in light of the service created and explicitly define what they contribute to clients. All teams with the same purpose are brought together in tribes, circles or centers of expertise (the name differs in each domain). They guard the alignment of the different squads contributing to a product or service. Part of ING's success lies in the fact that differences in structure are allowed within different domains. Being agile in a support function requires a different structure than being agile in the sales organization. In terms of process, ING created a flow around quarterly business alignment between the different tribes, circles and centers of expertise. This process assures that the combined change is geared towards the purposes of the domains while also contributing to the strategic themes of the entire enterprise. Besides, this is also the place to celebrate achievements and share learnings (see illustration). ▶

The ING organizational model



»To change the financial market, it is crucial to be faster than the competition. ING shows the way with an agile constellation.«

Leading a cultural shift

Process and structure alone will not bring the desired agility to an organization. Changing the system but not the people does not lead to a full change, which is why so much attention was given to the cultural shift within ING. They were in need of leaders that can truly empower teams, quickly resolve team impediments and continuously define the strategy. Leading by example and establishing the right culture and mindset was achieved with a series of activities. A set of norms and values was developed – in line with the strategy – which people are supposed to adhere to in their work. Another activity was a global program for all leaders to become authentic leaders; to define their personal purpose and how this fits their role. And last but not least, it is important to assess all leaders in the agile organization on an agile mindset and behavior. Good leadership creates a safe environment for teams to act as autonomously as possible, where constant learning and developing is the norm and is perhaps the most crucial element.

Do we all need to become agile?

In the financial sector, there is an absolute necessity for banks to become agile. The future is uncertain and the landscape is changing. The ones that are best equipped to adapt to the changing circumstances have the highest chance of survival. If your business sector is changing as dramatically as the financial world, the answer to the question above is definitely yes. But bear in mind: Being agile is a means, not a purpose. Therefore, a company that wants to become agile should ask themselves why. It needs reasoning

that can be recognized by everyone, especially by the higher management, if you want the entire organization to embrace it. Being agile also comes with a price. It requires focus, letting go of cherished habits and the ability to appreciate failure in order to grow.

The following questions can help you define your own road towards agility:

- How important is agility with respect to my vision and strategy? Does this apply to all parts of the company? Be aware: agility is not only about operations and IT!
- Where is the current structure hindering or supporting agility? What can we learn from others? Don't be a copycat!
- Do I already have people in the organization with an agile mindset? How can I use this energy in the change process? It is not a change in the minds of everybody! You already have frontrunners and people who will never catch up – accept this phenomenon. ●



The purpose of ING is to empower people to stay a step ahead in life and business. With 53,000 employees in more than 40 countries, ING is the market leader in The Netherlands, Belgium and Luxembourg. They have 38.4 million retail customers. ING creates a differentiating customer experience by earning the primary relationship, developing analytics skills to understand the customer better, increasing the pace of innovation to serve changing customer needs and thinking beyond traditional banking to develop new services and business models.

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