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HUMAN CENTRICITY IS MORE THAN A DESIGN ISSUE



EQUATOR
TAKE ON TOMORROW

INTRODUCTION

Why tomorrow's Financial Services leaders will be Human-centred organisations.

In financial services, drivers behind consumer buying decisions have changed; where once it was about security - literally, 'who has the safest safe' in some cases - now consumers are looking beyond this for financial providers who deliver the most convenience and value. Of course, trust is still important, but banks, insurance providers, and wealth managers are now competing to be the best at understanding and supporting individual aspirations and goals.

This has driven the constant and accelerating evolution of what good looks like. The last great experience redefines expectations, and that isn't confined to what other financial institutions are doing but what's happening in different sectors, too. If Amazon can do same-day delivery for free, why does it take my bank a week to issue a new PIN?

The result is an industry where new entrants can quickly redefine customer experiences. This leaves legacy players floundering, struggling to offer that same usefulness while eroding their margins if they try to compete on price.

This has put legacy financial services brands on the back foot – reacting to change made by others rather than getting there first. This is not ideal in a market where one-in-five consumers consider switching banks. Those firms that can constantly surpass expectations will be the ones to benefit. They're proactive, doing it by gathering customer insights, incorporating those inputs into their systems, and iterating – fast! This informs everything they do so that the customer truly is at the heart of their operation.

When executed effectively, this Human-centred Design (HCD) approach empowers firms to anticipate customer needs proactively, ultimately delivering better experiences. Many readers may think they've already incorporated Human-centred Design. However, our goal here is to highlight that, while true at a production level, in our experience it's rarely the case that HCD runs through the entire operation. As a result, we see companies struggling to keep up because while they may be able to deliver isolated Human-centred features, the overall customer experience remains outdated, fragmented, and frustrating.

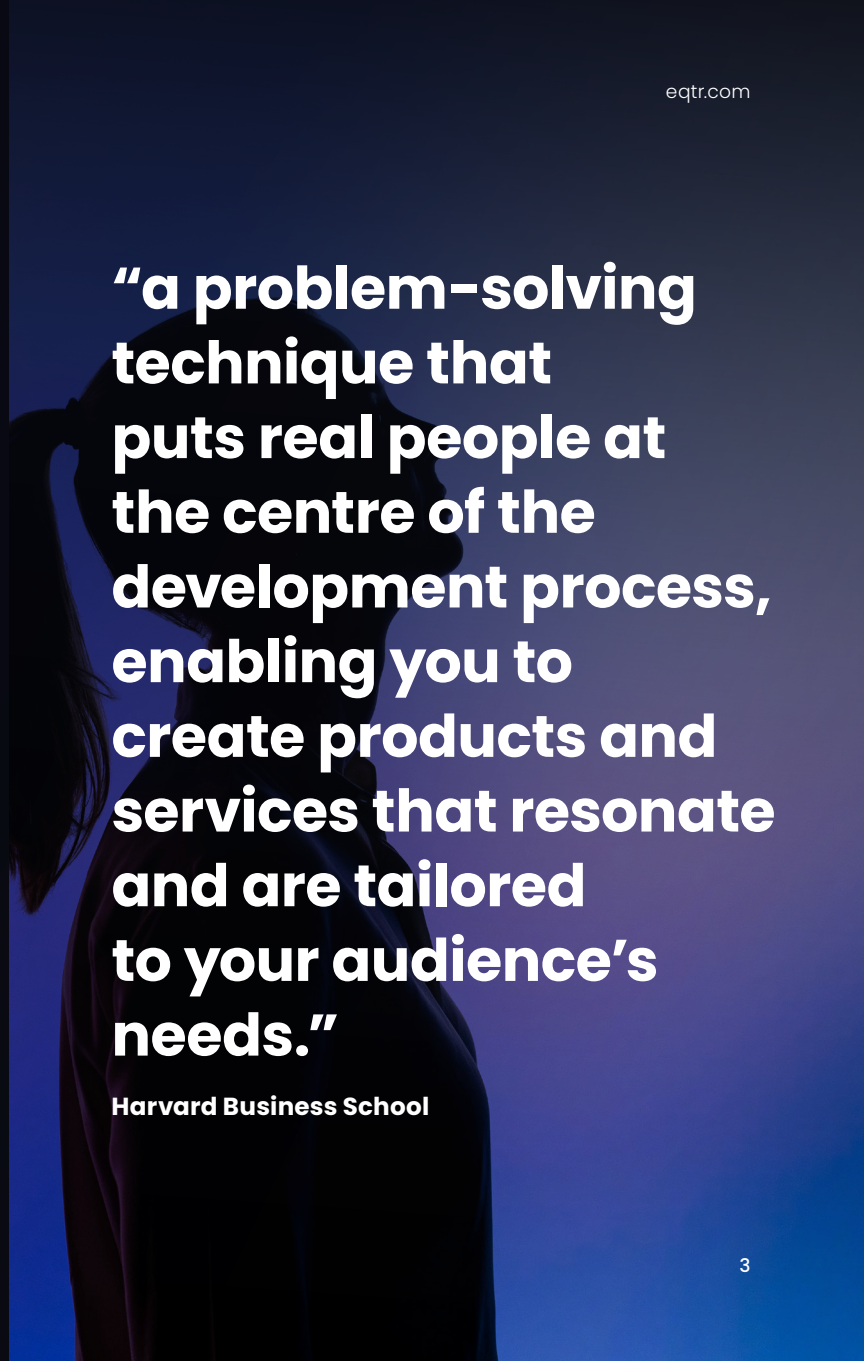
What's needed is an overarching vision, a way of embedding HCD throughout your organisation. And this proactive, continuously iterating operation isn't possible unless everyone is aligned. The timing of creating the landing zone is critical. Ideally, it should be established before acquisitions begin, allowing systems and processes to be ready for seamless integration. Prioritising the landing zone early ensures faster value realisation and minimises the risks associated with data silos or misaligned operations, which can significantly delay synergies and slow down the overall integration process. How do you get to that point? We're going to look at what HCD is and its organisational impact, what stops it from being effectively executed, and ultimately how you can become a Human-Centred Organisation.

Understanding Human-centred Design

To quote Harvard Business School, HCD is "a problem-solving technique that puts real people at the centre of the development process, enabling you to create products and services that resonate and are tailored to your audience's needs."

That means putting people first across a product's lifecycle, from initial ideas and concepts to production and distribution. All to deliver enhanced human experiences. Get it right, and the rewards can be significant: a recent study found retail banks that successfully delivered Human-centred design generated 27% more revenue than their competitors over a five-year period.

An example of HCD in financial services might be looking at how regulations affect the user experience. Providers need to comply with regulations such as anti-money laundering (AML) and Know Your Customer (KYC). The problem is many brands focus on compliance without thinking about the user. Sometimes regulation, designed to protect the user, even ends up making the experience worse for them.





People at the core

For instance, a customer applying for a mortgage is asked to provide proof of funds as part of its AML checks. The customer is expected to share certified statements via a secure portal. What frustrates the customer is that they bank with the same provider. While the bank is fully compliant, the customer could feel there is no clear advantage to using their bank's mortgage products.

By designing more thoughtfully, departments holding different data could be integrated to create a more seamless journey for the customer. Rather than just meeting regulatory needs, this Human-centred approach exceeds them. It makes life easier for the customer, reduces churn and cuts data errors. The result: happier customers, enhanced revenues, and decreased costs. That's a lot of value from just looking at the problem from the user's perspective.

At the heart of HCD is the idea that the organisation exists to support people. That includes customers, employees and stakeholders that may not fall into either of those first categories but are still affected by the organisation's actions.

The key attributes of an HCD-focused organisation are:

01 **A commitment to creating high-quality human experiences**

02 **Valuing its employees' experiences as much as its customers**

03 **A focus on continual learning and improvement to ensure that HCD is sustainable**

04 **Embedding it all through the organisation, not siloing it in multiple functions**

Our experience of dealing with FS firms shows an awareness of the benefits of HCD. However, it also tells us that there is a gap between what firms think they are doing and what they are achieving in HCD.

Bridging the gap

This gap is essentially a disconnect between execution and leadership.

We've highlighted how the competitive landscape of financial services is changing. Constantly trying to keep up with the competition, deliver better services to the market, and meet expectations shaped by businesses that aren't necessarily direct competitors.

It's not optional: a refusal to change mindsets, processes and structures is predicted to bring down 80% of heritage financial services firms by 2030.

To be able to change at the rate required and answer those challenges, you need your organisation to gather inputs and then iterate efficiently.

Those inputs come from customer, team and market insights. Only by establishing feedback loops using data to continually evaluate and improve processes can you hope to spot change and meet the expectations of evolving audiences.

The problem is that executive interest in HCD is often limited to interaction points on the customer journey: the mobile app, the chatbot, the interactive voice response service. It's seen as the responsibility of customer services or design. All this does is create disconnected pockets of human-centred thinking. Those interaction points generate data filled with potentially valuable insights, but there is often no way to get that data out of those silos and disseminate it across the wider organisation and address it in a more holistic way.

To achieve this, there needs to be a commitment from the top down to put the human at the heart of everything. One bank redesigned critical processes and journeys and, as a result, increased customer satisfaction in those journeys by up to 50%. But to do that, they needed to bring together cross-functional teams – from marketing, technology, risk and compliance to operations, business, product and design. The only way teams are empowered to come together and collaborate is when an organisation's leadership drives the programme.

If leaders understand that HCD extends to all aspects of the business, then barriers will come down, and you can establish those critical feedback loops. That's why one of the key characteristics of an HCD organisation is giving equal weight to the employee and customer experience. Employees who enjoy better work experiences are more likely to record higher levels of engagement. So, when a company is focused on better meeting the needs of their team and consumers, they are unlocking value and team potential.

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How Human-centred are you?

HCD is a complex, continuous process, but how do you know where you are in your journey?

You need to ask yourself a series of questions:

01 **Do you have a shared view of how clients interact with your services?**

02 **Are you continually evolving your services based on client feedback?**

03 **Are you collaborating on shared client touch-points across teams?**

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05 **Are your teams designing using the same patterns as other parts of the business?**

06 **Can you track and review data & analytics across the business?**

07 **Does everyone know how their work affects the customer and how success is measured?**

08 **Are you able to capitalise on innovation elsewhere in the business?**

If you can answer yes to most or all of those and back that up with evidence, congratulations!

You are a very Human-centred Organisation. These questions represent a useful way to highlight where your organisation may need to focus on improving your Human-centred approach. So, how do you begin to address these areas?

6 fundamentals of building a Human-centered organisation

Where do I start?

That all sounds fine on paper: automate it and everything will be better. But how do you make it a reality?

Six fundamentals should be followed to begin building your human-centred organisation.



01

Catalogue customer journeys

We've spoken previously about what your customer's real-life journeys really are, not what you think they are. To do this, you need to map all the current routes your customers take. That will cover every part of the customer lifecycle, the steps they take and the touchpoints they use to interact with your brand. With that, you'll then pinpoint which teams within your organisation are responsible for those moments, ultimately giving you a picture of what the journeys look like to both external and internal users.



02

Audit your design capabilities

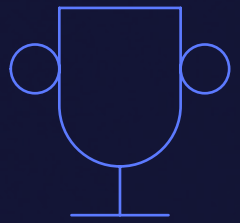
Once you understand the current customer journeys, you can see where the gaps are. This will also allow you to identify where to develop new processes and acquire new skill sets.



03

Agree your design principles

Part of the challenge with HCD in many organisations is that any good work is siloed, with little interaction between teams. To be successful, you need to have a shared agreement of what you are trying to achieve, what the experience looks like and what that means for all the teams involved. There's no value in offering every customer introductory video calls if you don't have the back-end or the team resources to deliver that.



04

Develop your success metrics - OKRs

Like any transformation project, you must define what success looks like. However, rather than building them based on internal KPIs, HCD success metrics must be determined by what a good experience looks like to your customers and employees. As with design principles, these OKRs must be shared across teams and designed to reduce conflict and promote collaboration.



05

Create standard ways of working

Underpinning shared approaches to design and success are standard ways of working. In most complex matrix organisations conflict arises because teams work in different ways. By creating standard templates, tools and terminology, an HCD organisation can remove many of the barriers that prevent cross-division communication and ensure that everyone is working towards the same goal.



06

Define leadership & process ownership models

Many organisations launching HCD practices find that they erode over time. This is most often due to that misalignment between leadership and delivery we discussed earlier and a lack of dedicated process stewardship. Getting these things right means that you have Human-centred inputs from the rest of the business (insights and innovations based on user data rather than just business objectives). As such, you have the support and guidance to maintain optimal ways of working that evolve consistently in line with new learnings.

CASE STUDY

Banking on HCD: a case study in streamlining private banking client journeys

The private banking arm of a major high street bank was struggling with client perceptions of their service. In one instance, a client had fed back that they felt the bank was years behind its competitors.

The problem was that they were not operationally customer-led. Client journeys were not consistently understood and not tested in the real world.
To combat this, we established a client journey catalogue to access all client journeys. This created shared understanding and greater opportunities to collaborate and create efficiencies.

At first, this was made up of As-Is journeys, allowing us to map touchpoints across the journey and define the teams involved in those interactions.

Together with the bank's team members, we identified areas of overlap, incomplete or missing journeys, and opportunities for creating efficiencies.

Next, we developed the catalogue by collecting data about how external users felt about the current state – logging complaints, ideas, and collaboration points for every journey. Using this data and the quantitative insights gathered from reviewing the As-Is interactions, we began defining the target journeys.

To support teams designing the experiences that delivered the target journeys, we also created a centralised resource of templates, tools and terminology that all teams could use. As a result, teams were equipped and empowered to deliver more coherent experiences for all users. Employees could operate more efficiently, and clients could enjoy more streamlined journeys. Finally, we developed updated team capability matrices and operational structure designs to enable the business to evolve its team toward the optimal delivery model.

This work laid the foundations for the business to move over 2000 people to a new operating model:

- Over 200 client journeys captured and shared across 31 client lifecycle stages
- 5% increase in productivity
- Streamlining of technology estate
- Reduction in tech incidents

"What has been achieved so far is really exceptional, more than we thought would be achieved."

Director, Private Banking at major high street bank

How Equator can help

As we hope you can see, HCD really is an essential tool to enable you to keep pace with the market. It accelerates innovation and encourages collaboration. The bank mentioned above had to be committed to an HCD approach to achieve these results.

But it also needed to work with the right expertise. We ask everyone we work with, when implementing HCD as part of digital transformation, to make sure that it is not done in pockets. We make sure that is not solely the responsibility of the design or CX teams and our transformation and change experts ensure it is a company-wide cultural shift that puts the human at the centre of everything.

Whatever change you're initiating, you'll always have to keep businesses running as usual. Few companies have the resources to run change programmes like HCD alongside BAU without bringing in additional support. Our work with the firm mentioned above and similar-sized businesses in other sectors has transformed operations and customer relationships while positively impacting BAU velocity.

We've helped them embed HCD into their organisations, triggering change so that user insights are constantly added to the feedback loop, continually shaping processes and techniques.
The result is outputs that ex
ceed the needs of their customers, creating better engagement and building greater levels of loyalty.
At the end of the day, our approach means financial services firms are equipped to thrive and are fully future-proofed to take on tomorrow.

All by committing to put humans at the centre.

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