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Robin SPECULAND

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# A Path to Digitalisation featuring the DBS Story

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By Robin Speculand

*Digitalisation of businesses has been rapidly increasing over the last few years and now it has become a necessity, rather than an option, for many. The article provides a path and model for leaders to transform their business. It starts by recognising that businesses need a digital vision driven by customers' requirements and explains how to build centricity and be ready for the future.*

One positive outcome from the current economic situation is the accelerating adoption of digitalisation by organisations. In 2019, less than half of the C-suite leaders had the topic on their agenda, according to our [research](#) conducted of 1,847 leaders across three continents. Now, because of social distancing and other regulations, leaders are looking at new operating models to reach customers and for greater cost efficiency as working capitals shrink. Consider how the insurance industry can no longer rely on agents visiting customers, how retail businesses have been forced to go totally online, or how universities can no longer conduct classes on the campus.

Why is this a positive outcome? Organisations that successfully adopt digitalisation are able to operate more efficiently, offer their customers more of what they want and need, and are more profitable. The top five companies in Harvard Business Review's "[The Top 20 Business Transformations of the Last Decade](#)" saw gross profit increase by an average of 857 percent over the last decade.

One of the first challenges in adopting digitalisation is to recognise the role it plays in the overall organisation strategy. It is not about creating a digital strategy but having a strategy in the digital world. Framing the question correctly, in strategy, is imperative. The question is not what digitalisation can do for your organisation but, "What is your strategy, in a digital world, to meet and exceed customers' new necessities?" Digitalisation of an organisation is driven by customer requirements, not technology.

## CRAFTING THE STRATEGY

To support the crafting of the strategy, there are three strategic stages leaders need to consider.

### **1. Future Thinking: Establish a clear digital vision and develop a leadership growth and digital mindset.**

Leaders need to identify their digital vision by thinking about tomorrow, their "Future Thinking". This involves establishing a clear digital vision and developing the leaders digital mindset. The digital vision starts by recognising that it is not technology disrupting your business, but customers with their new necessities.

Under the stewardship of Piyush Gupta, DBS Bank has been recognised by three major banking awards as the best bank in the world. Piyush is extremely proud that this has come from a bank in "our little red dot" of Singapore.

The bank's digital transformation had commenced in 2014, with a leadership team offsite, where they discussed the strategic impact of digitalization and the opportunities for the bank. The outcome was a new vision to "Make Banking Joyful". 'Joyful' is not a word you naturally associate with banking, but at DBS, it created a passion to leverage technology and make banking invisible for their customers and therefore enjoyable. The marketing slogan became "[Live more, Bank less](#)". Internally this initially caused some confusion - why was the bank asking customers to bank less - but it soon became apparent that it meant customers spending less time conducting their banking transactions as they used digital enablers.

## **2. Centricity around Customer, Culture and Operations: Identify the impact of digitalisation on the essential components of your business.**

With the digital vision in place, an organisation has to examine centricity around its customers, culture, and operations. Organisations adopting digitalisation fails more often than they succeeds; research puts the failure rate at 84 percent.[1] A key reason is that leaders habitually underestimate its impact on the organisation's business model. It is not about tweaking or adjusting the business model but a complete business model transformation that starts with the customer.

When adopting tools such as agile, design thinking, hackathons and customer journeys, the organisation revisits its customer offer. This is leading many organisations to shift from selling products to selling platforms. Instead of pushing a product to the customer, they look at what customers genuinely want and build a platform around their needs. The platform includes multiple applications and links, using open APIs (Application Program Interface), to connect to other organisations.

Consider how the smartphone started out as a product but now has multiple applications on it and how taxi apps now allow you to also order food, book theatre tickets and other services using open APIs. The platform has become the product for leading organisations such as Alibaba, Amazon, Haier, Ping An and DBS.

To move to a platform involves first understanding in depth what customers want and need (not just paying lip service to customer service) and then redesigning products and services with a digital mindset while simultaneously protecting your customers' trust. To achieve digitalisation, the organisation must be customer obsessed, have eliminated silos (as departments have to collaborate, not compete, to offer platforms) and empower their staff. Digitalisation starts with the digital vision but is executed from the ground upwards.

Simultaneously, the technology architecture must evolve to support the new business model. Many organisations are moving to cloud as they replace legacy systems and build new capabilities.

In DBS the bank adopted three strategic tenants to drive the implementation of making banking joyful. These were:

1. Become digital from the core

Create a rock-solid foundation of core systems the bank could build on and orchestrate a complete transformation of the bank from front to back.

2. Embedding ourselves in the customer journey

Make banking invisible by leveraging technology and adopting customer journey thinking throughout the organisation, which enables becoming customer obsessed.

3. Create a 28,000-strong start-up

Change the culture of the organisation, recognising that this is one of the most precarious areas of organisational transformation. Ensure that it takes risks, operates in a nimble way, and has an energy level similar to forming a start-up. A start-up culture mindset to DBS is defined as being:

- Agile
- A learning organisation
- Customer-obsessed
- Data-driven
- Open to experimentation

### 3. Future Ready: Measure your digital strategy and build business sustainability.

The leadership team needs to ensure continuity and sustainability. Transforming a whole business model takes time, dedication across the whole organization, and discipline - qualities that many organisations often lack. A new strategy requires new measures to track the execution and to take corrective action when required. Many of the measures required for digitalisation are new and require leaders to focus and pay attention to identifying what should be measured (such as the value of digital customers versus traditional customers).

A critical part of the digitalisation is also building a data culture where the organisation shifts to using real time data and data visualisation to make decisions. This allows them to react faster to market and customer changes and to have “zero distance” between themselves and their customers, as Haier calls it. This means that customer inputs are real time and drive the innovation.

Organisations that have transformed to a data-first culture do not allow slide deck presentations in meetings (as the data being presented is not real time). These organisations would have spent considerable time and effort on defining the right data, how to capture it, how to use it and importantly, how to protect it.

In DBS they discovered early on into their journey that digital customers bring in twice the income and to be future Ready, they are looking at being the Best Bank for a Better World (BBBW).

The three strategic stages make up the core of our [Ticking Clock© Model](#) for digitalisation. The outer circle highlights the requirements that are evolved into the 11-Steps model as shown below.



*Robin Speculand is a recognised pioneer and expert in strategy and digital implementation who is driven to transform strategy implementation globally by inspiring leaders to adopt a different mindset and approach. The founder of three companies, three associations, and CEO of [Bridges Business Consultancy Int](#), he has created the [Implementation Hub](#), the world's first online portal dedicated to strategy implementation. He is also co-founder of the [Strategy Implementation Institute](#), a [TEDx](#) presenter, an adjunct faculty member at the Office of Executive and Professional Education at SMU, and an international bestselling author who has sold more than 50,000 [books](#) worldwide. His new book, [World's Best Bank: How DBS Makes Banking Joyful](#) is due for release in September 2020 and can be [pre-ordered](#).*