

The digital bank hold-up

Financial institutions are fundamentally challenged by new digital players. In his new book *Doing Digital*, Chris Skinner, CEO of The Finanser LTD, outlines how they can respond

After decades in finance and technology, Chris Skinner, CEO of The Finanser Ltd, is releasing his sixteenth book. He discusses *Doing Digital* and the lessons to be learned from banks that have taken the plunge.

What's the new book about?

It's about banks that are transforming to be truly digital. The issue today for any business is that it must convert to the internet age and yet so many businesses were built in the analogue age. We have seen the impact that has had on entertainment, music, travel, photography and more. The internet has transformed every business in the world. Now, it is time for banking and finance to go through that transition, and so I interviewed several of the biggest banks in the world who are doing this well – JPMorgan Chase, BBVA, ING, DBS and China Merchants Bank – to find out what they are doing and how. The lessons from these banks are laid bare in the book for all to see.



And what would you say are the key lessons they learned?

Number one is that the company must have a licence to change. You cannot change a company from analogue to digital if it's business as usual. You need business as unusual and all these banks got mandate from their board of management to focus on transformation. Then you need to have a burning platform that ignites all the people in the company and a destination of where the company has to go. I guess, overall, the main lesson is that these companies realised that digital transformation is nothing to do with a project or a function, but a

fundamental cultural change and a restructuring of the organisation.

Is this a simple process?

Not at all. It takes years. Interestingly some of these banks have been changing for over twenty years to embrace the internet. But the book outlines over 30 key lessons from these financial institutions, combined with my own immersion in this industry since the 1980s, and shows how change can be successfully achieved. In sum it takes place in four key phases: working out what to change; working out how to change; changing; and then changing better.

Those first two phases take one to three years, the implementation takes two to five years, and the process thereafter lasts forever.

The book sounds like it's just about banking?

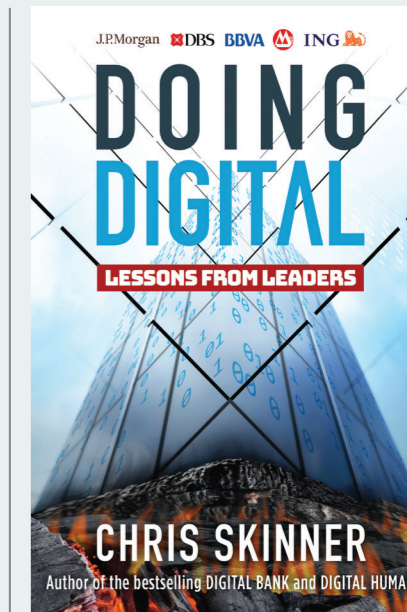
Yes, and no. I've spent my life in technology in the financial industry, dealing with change and transformation of business processes in this industry. However, these lessons can be applied to any company. It's interesting, for example, that I saw a great write-up about how Walmart was trying to change to compete with Amazon. The lessons in that story are just as interesting for a bank dealing with digital transformation as they would be for a retailer. I feel this new book is the same. The lessons are centred around big old banks from the industrial era trying to become digital, but it could just as easily be applied to any firm trying to deal with the digital age.

You've written many books about this theme. How have your opinions changed in your new book?

Well, I got fed up with everyone saying that banks are dead, banks are stupid, banks don't get the internet, banks are boring. Whatever. Banks are challenged fundamentally by the internet and new digital players – there are over 12,000 new companies in the world gaining billions of dollars of investment to compete with boring old banks – but the banks aren't dead, stupid or boring. They are just trying hard to change and adapt. And the hardest thing is knowing that you're changing and adapting in the right way. I think *Doing Digital* provides them with the blueprint and answers to make sure they can do that.

Finally, you're known by some as Mr Fintech. How did that come about?

By mistake if I'm honest. I've worked in finance and technology for decades and was made redundant in the early 2000s. While trying to find a proper job I started writing about how finance and technology would look in



These lessons can be applied to any company

the future for a variety of media platforms and then, in 2007, began blogging. I write a blog every single day on my personal platform thefinanser.com and, out of that, became known as the guy who knew where the future roadmap would be for finance and technology or, as it's now known, fintech. I just happened to be the right guy in the right place at the right time for a change.

About Chris Skinner

Chris Skinner is a globally known keynote speaker on the future of finance and technology, and the CEO of The Finanser Ltd. He writes a daily blog at thefinanser.com and has written many books about the future of banking and technology, including *Digital Bank*, *Digital Human* and his newest book *Doing Digital*, available from Amazon and other online stores.

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