Front Digital, Back Manual – the digital banking pitfall?

Asian banks have relied on traditional branch-banking, face-to-face business model for many decades. However, the availability of new technologies and recent emergence of competition from fintech companies have prompted banks to take a new look on the client relationship model. Riding on the digital transformation wave that is sweeping across the industry, many banks in Asia have started their own digital journeys.

Synpulse has been a consulting partner to several Private Banks that have embarked on the digitization journey. We see different maturity levels of the market players which fit distinctly into one of the following three phases (see Fig 1.1).

The initial exploration phase of digitization is ridden with silo implementation of digital capabilities across the bank. For banks in this first phase, the key is to understand the market standards and make a build-or-buy decision.

As a typical result of this phase, many banks have delivered mobile apps that seek to provide the best possible experience for their clients. However, not a lot of them have given as much attention to another equally important user group – the bank's internal users such as Relationship Managers (RM). RMs are the top revenue generators for banks in Asia and will continue to be so for the foreseeable future. Thus, it is of great importance to offer RMs the digital tools of trade and fill the gap for them.

As banks progress into the second phase, they need to adopt an integrated approach not only empowering the front offices but also promoting synergies across the front, middle and back office functions. The result of this would be improved client experience and operational efficiency.

Integrated digital platforms lay the foundation for the next wave of digital transformation which comprises of innovative and especially personalized offerings. This includes omni-channel access to a wide variety of the bank's services offered to a broad client base across borders. In this third phase the banks must focus on higher penetration and usage of their digital platforms. Key success factors in this phase include compliance with cross-border and internal guidelines as well as automated digital enrolment.

Since the beginning of the year, we have started to see more and more players in the industry entering the second phase of digital integration.

Equipping the Digital Banker

The RMs in the near future will be born after the invention of the World Wide Web. These millennials, like some of their clients, will be most at ease with technologies such as smart phones and touch devices, online payments, online videos and voice calls. As such, the working and service expectations of these millennials are asking for an instantaneous but most importantly an integrated digital experience.

Based on Synpulse's research on Private Banks in Asia, RMs spend about one third of their time on non-revenue generating activities. This is in part due to the increase in administrative overheads caused by tightening regulatory requirements. RMs need to spend a disproportional amount time on following up on such administrative issues while constantly internalising the growing amount of regulations and policies.

As a result, RMs will need new tools to maximise each client engagement opportunity to serve clients better. The goal is to improve the RM's advisory capabilities and offer an integrated digital experience. These tools should enhance the client's advisory experience for a more impactful and effective presentation. At the same time, these tools should also reduce the RM's administrative overheads and potential mistakes by embedding automated checks and controls into the advisory process.
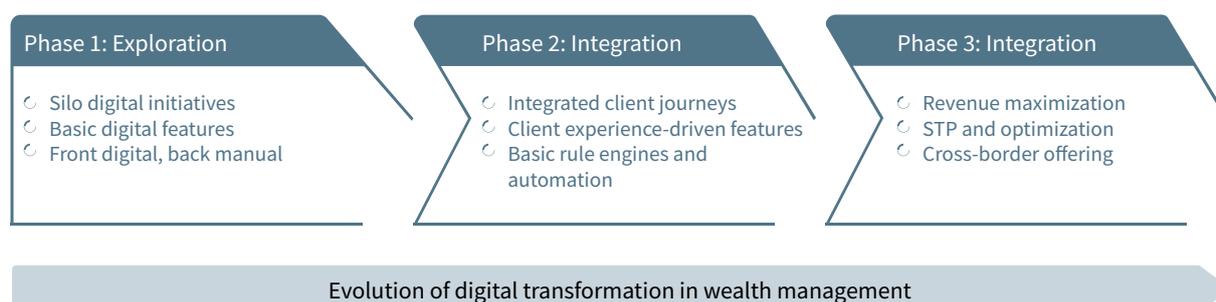

Phase 1: Exploration
- Silo digital initiatives
- Basic digital features
- Front digital, back manual

Phase 2: Integration
- Integrated client journeys
- Client experience-driven features
- Basic rule engines and automation

Phase 3: Integration
- Revenue maximization
- STP and optimization
- Cross-border offering

Evolution of digital transformation in wealth management

Fig 1.1   *Source: Synpulse*

By leveraging emerging technology and feeding the growing digital consumption behaviour, these tools should deliver an integrated digital advisory experience that can help improve opportunity conversions and shift the productivity bell curve.

Digital Roadmapping from the Clients' and Bank's Perspective

The heart of the advisory process is still the client. Therefore, banks who are designing their digital offering should centre on improving the client journeys. The key is to understand that the client journey involves not just the client but also integrally the RM, as well as the middle- and back offices. They overlap with the banks' internal processes and impact client and bank facing systems.

Consequently the definition and prioritisation of the client journeys require inputs not only from the RMs and their assistants but also internal stakeholders such as the Head of Sales, Head of Sales Management and experts from Compliance and Operations. The reason for this diversity is to ensure that client journeys captured are comprehensive, thorough and are validated by the experts.

With these panel of experts, Banks should then explore and detail the pain points for interactions between the clients and the RMs for each of the identified client journeys. Next to the internal view, the external (client) perception is equally important. For this, Synpulse regularly joins forces with universities to conduct surveys with high net worth individuals (HNWI) as well as Private Banks. The findings of such surveys can serve as a starting point to identify root causes for such issues and allow for prioritisation on which client journeys and pain points that require most attention.

Conducting Iterative Sprints for Quick Business Answers

As there is little precedence of Private Banking digital offerings in Asia, banks are often left with many business questions and doubts on their digital transformation approaches. To resolve such issues, Synpulse adapted the Google Venture's Sprint (GV Design Sprint) Methodology and contextualized it for the financial industry.

The Synpulse-GV Design Sprints (see fig 1.2) allow banks to quickly narrow down to digitization issues to a few key business issues. These key issues are then explored, reviewed, propositioned, prototyped and validated within a workshop that spans for five full days. This methodology allows banks to quickly focus their efforts on addressing the critical issues in a manner that is time efficient and validated by the relevant stakeholders.

This hands-on workshop is managed by experienced Synpulse moderators who work closely with the bank's key stakeholders. In the first three days, the moderators uses various techniques to help the bank's stakeholders to dimension, explore and drill down the business issues. Solutions are formulated using sketches for prototyping.

On the fourth day, prototypes are developed from the selected hand sketches. With the help of Synpulse's design team, these ideas are shaped into a "life-like" prototype based on Human Centered Design principles. Our experience shows that having a realistic prototype will evoke a more genuine response as opposed to a prototype that looks "unfinished".

The last day is the most important one where real clients are invited for an interview. Through various interview techniques, our moderators will guide the participants through scenarios to showcase and introduce the prototype and solicit the participants' feedback. The workshop participants will observe the entire proceedings in a separate room through a webcam and take notes of the clients' response.

By the end of the workshop, bank stakeholders should have derived and tested a solution in a short period of time. They would have identified gaps and opportunities in their ideas and constructed a quick launch pad to start developing their digital offerings.

Staying Agile to Reduce Time to Market

In order to achieve a relatively short time to market and also support continuous improvement of the app, banks should explore adopting the minimum viable product (MVP) approach and employ Agile development methodologies, such as Scrum.

DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
Define & Target	Ideate & Sketch	Review & Decide	Build & Try	Test & Validate
Identify big rocks and target one	Ideate and sketch potential ideas	Review and decide on the best bet(s)	Build and "realistic" prototype	Test and validate with real clients

Fig 1.2   *Source: Synpulse*

A single release is broken down into smaller cycles called development sprints (see fig 1.3). The business team focused only on the requirements that needed to be developed by the technical team in each development sprint. When the business requirements were completed and endorsed, technical team then builds the app according to the specifications.

A demo session will then be organised by the end of each development sprint to obtain feedback from the team. Modifications on the release, especially those coming from clients and internal users, were included in the next sprint, together with new features that business team provided.

For such development sprints, Synpulse works closely with the various business leads, technical teams and user experience designers to create and iterate detailed user stories and narratives, completed with mock-up screens to aid the progress of the development sprint. Furthermore, we have the ability to tap on our comprehensive client and RM app feature lists compiled from our digitization project experience and research to serve as a benchmark to evaluating our client's digital offerings.

One Big Step ahead into Digitization: Digital transformation in banks is inevitable. Investments in such initiatives can be costly and time consuming. However, not investing in digitization can be even more costly as fintechs and leading banks are progressively developing their digital capabilities. Banks will need to be prepared to identify and focus on key areas for improvements.

Synpulse recommends that banks spend more time on performing quick design sprints to understand and test their digital propositions before investing in technical solutions. Design sprints can allow banks to rapidly identify ideas that resonate with the clients to narrow down on the features and journeys that are critical to the Bank.

Deploying an Agile development approach can help the Banks reduce the time to market and allow for quick pivoting based on the wider market responses. It will also allow better communication of requirements and expectations among business and technical stakeholders due to its close collaboration model.

In conclusion, digitization in banks does not equate revolution. It could be just another step in the evolution of the financial services industry in which all banks can move forward with confidence and determination.
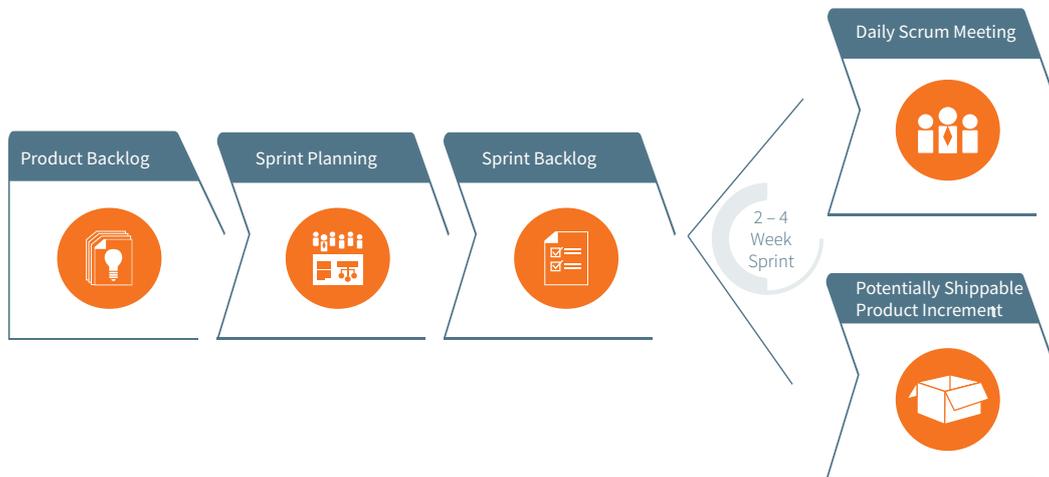

Fig 1.3   *Source: ScrumAlliance*

Contact us

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