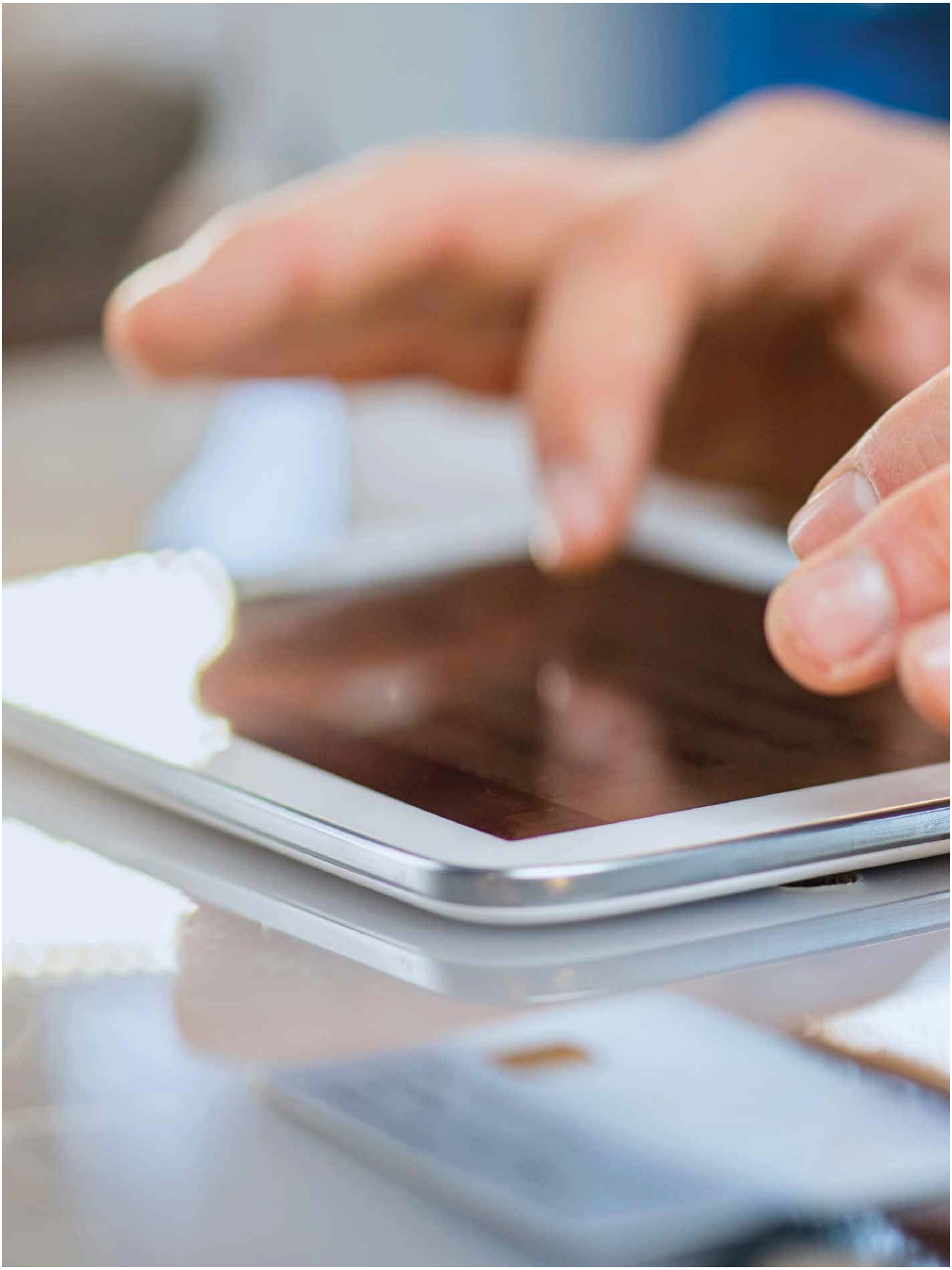
Learning for Business **Banking**

CrossKnowledge
A Wiley Brand

We empower your transformation



Digital transformation in banking: the training challenge

Summary

Foreword

The global banking sector has entered a phase of total and profound transformation. Increasingly strict regulations are being put in place to combat fraud, limit excessive speculation, and prevent bankruptcies.

Competition is becoming more fierce and diversified with the arrival of the “pure players”: telecom firms, web giants and “fintechs” (financial technology start-ups) that are commercially aggressive and technologically agile. Processes are becoming digitalized. New concepts for bank branches are emerging. Innovations are cropping up all over the place in terms of payment methods (NFC: Near Field Communication), loans (crowdfunding) and even money itself (bitcoins)!

Clients are now hyper-connected and ultra-informed (the two go hand in hand); they’ve become more impatient, more demanding and more volatile, and they don’t think twice about turning their backs on “traditional” banking.

What can financial organizations do to reinvent themselves and take up the challenge of modernization? How can they attract, satisfy and retain a whole new generation of clients?

The Boston Consulting Group (BCG) predicts that in the near future, the winning banks will be those that have successfully transformed into a “bionic” structure and found the right chemistry between *“digital technologies and human relationships”*. In a study entitled *Banks in 2020* carried out in 2014, Euroconsulting Group*, states that a combination of staff engagement, upskilling, expertise and soft skills is the first and most important lever for transforming banks.

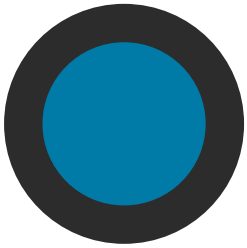
This is an area in which CrossKnowledge, which has proven expertise on these issues and many references in the sector (in retail banking especially), is eager to support the bankers of the future.

We hope you enjoy reading this guide.

*Independent European consultancy whose clients include 12 of the 15 top European banks.

Radical changes on Planet Finance

Among the many transformations affecting banking, there are three that are profoundly and durably changing its practices, its economic models, and the roles played by its staff. They are as follows: changing regulations; the emergence of new transaction methods; and the arrival of new players, « fintechs » and web giants on the market.



68%

of bank leaders state that compliance is at the top of their 2016 priorities.
Source : CGI, Voice of the clients, 2016.

An increasingly strict regulatory framework

Speculative bubbles (first the Internet, then real estate, and soon perhaps US student loans), the subprimes affair and the Eurozone debt crisis, and a whole range of scandals (e.g. the Libor affair), not to mention the constantly growing number of fraud attempts using digital technology (identity theft, money-laundering, money transfer scams, etc.) have naturally led to a reinforcement of banking legislation worldwide. Inspired by an eagerness to reduce risk and reduce bank debt, the new regulations, echoing the Basel III agreements that came into force in 2015, have raised bank solvability ratios and capital requirements. Other financial ratios restricting maximum debt for banks are on their way. The famous Wall Street Reform (the Dodd-Frank Act) in 2010, even if its efficiency has been challenged, aims to limit and contain speculative investments on the part of US banks.

A consequence of this new regulatory framework is that certain financial products and services are no longer viable. Moreover bank staff, as frontline providers, have to be informed about increasingly complex checking and compliance procedures for contracts, as well as fraud prevention processes. Not only do they have to know and apply security measures implemented by the banks; as soon as they detect a dubious transaction, personal bankers have to immediately alert their client and/or their manager and deal with the fraud as swiftly as possible.

Pure players penetrating the banking market

A new dynamic is in progress. Consumers all over the world are not only doing without banks to pay purchases online or in stores, but now also to save, borrow and lend money. Stimulated by the hundreds of electronic platforms on the Web, the phenomenon of crowdfunding, whose mechanisms

are both simple and innovative, is becoming the preferred financial tool for a participative and more socially oriented economy that makes investments more meaningful.

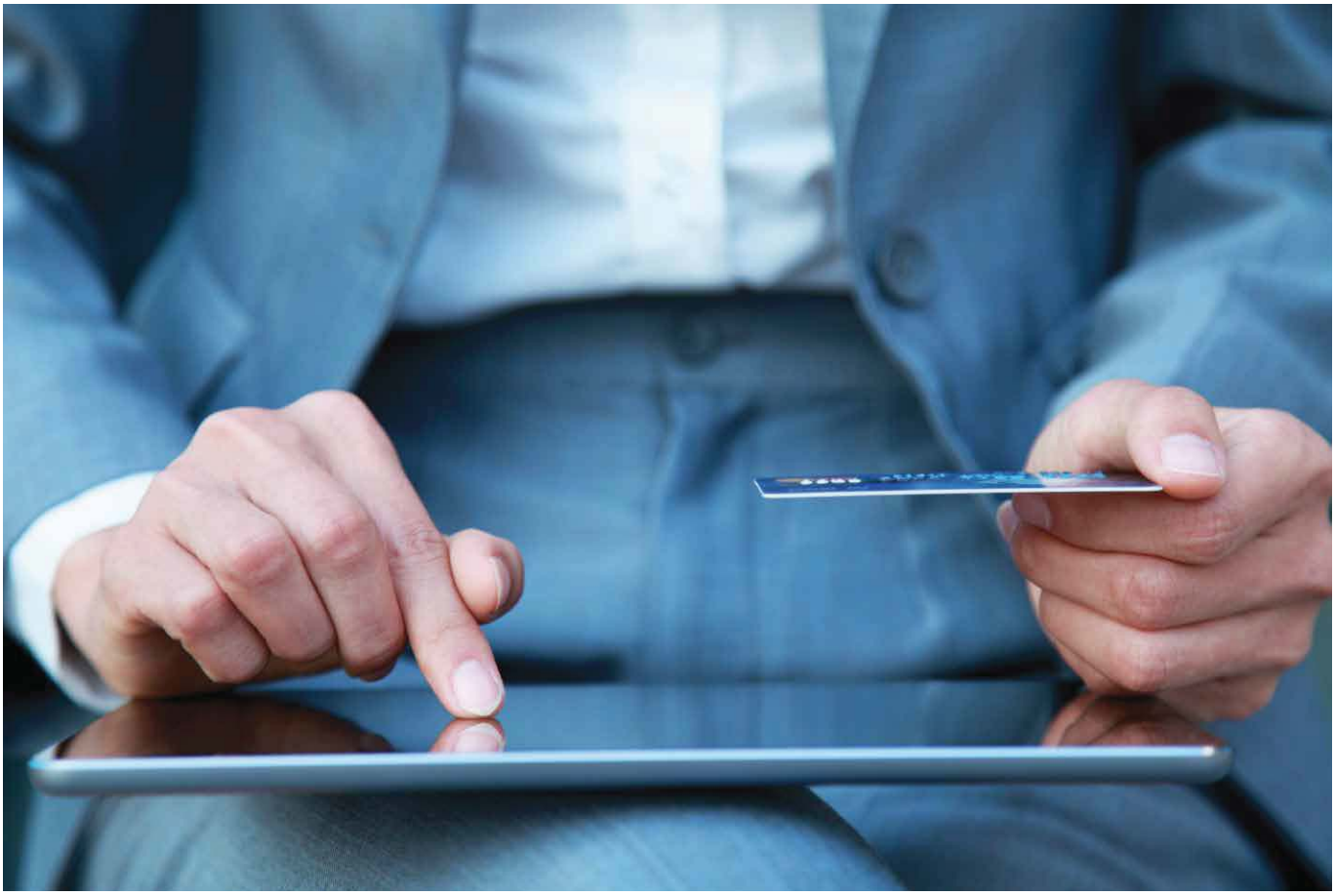
As Ashwin Malshe, marketing professor at Essec Business School, says: *"there's little doubt about the omnipresence of crowdfunding in the coming years. And in theory there's no reason for it to be restricted to companies"*. Created six years ago, the consumer loan platform Lending Club directly connects lenders and borrowers and offers below-market rates. The start-up, which has already raised 300 million dollars and whose revenue is growing at a rate of 150-200% annually, has been valued at 3.8 billion dollars. Google has acquired stakes and with its colossal resources, is also envisaging online banking—indeed Google recently obtained a banking license in Luxembourg. In November 2015 the "Chinese Google" Baidu and the investment company CITIC Group announced the opening of Baixin Bank, a direct banking organization offering online financial services. This will be the first ever Chinese joint venture between an Internet company and a traditional bank.

12,21

billion dollars invested into fintech startups in the world in 2014 i.e. three times the 2013 amount.
Source : CB Insight.

In the near future the Web and social networks will not merely be used by bank customers to communicate and search for information; they will become full-fledged channels for financial products and services. The response of traditional banks to this aggressive and multi faceted competition is twofold: they are investing heavily in digital technology; and they are increasingly leveraging their closeness to their clients, the quality of the advice their staff can provide, and the human relationships they nurture.

Under attack from all quarters, banks are seeking new growth engines and are willing to explore many options. In the Netherlands, ING presents consumers with special offers from third party companies selected according to their spending profiles. Like ING, banks are eager to act as crowdfunding accelerators by linking their own investments in high growth potential start-ups to those made by their customers. The latter are even sometimes included in selections of promising projects. Banks are also involving themselves in the "virtual currency" trend. In Belgium, BNP Paribas Fortis, in partnership with telecoms operator Belgacom, has launched the Belgian Mobile Wallet, an e-wallet accessible to all Belgian consumers irrespective of their bank or telecom carrier.



To diversify efficiently its operations, social, omnichannel, digital banking is focusing on training, especially digital learning, which can respond rapidly to the challenges organizations are facing. The aim is to give staff the technical, interpersonal and managerial skills they need to cope with the changes taking place in the sector.

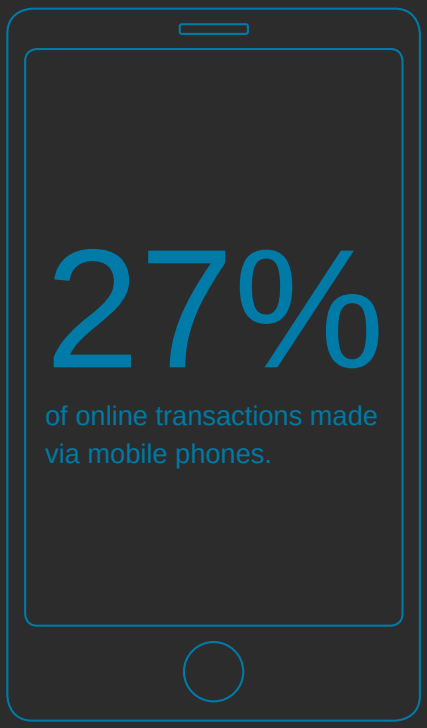
70%

of bank leaders think omnichannel is one of the top priorities for 2016.
Source : CGI, Voice of the clients, 2016.

Mobile payment speeding up the trend

Checks only accounted for 4.5% of transactions made in Europe in 2012, compared to 42% by credit card. With 27 billion transactions per year and 130 million active accounts, PayPal, formerly a subsidiary of eBay, is now the largest "bank" in the world. But the most impressive phenomenon at the moment is the surge in mobile payments. According to a study published by Dutch payment platform Ayden, they accounted for 27.2% of online transactions in the first half of 2015, up five points in just six months! Our smartphones are already day planners, cameras, GPS tools and personal trainers, so it's only natural that they should also be used to make day-to-day payments.

Launched in 2009 by Twitter founder Jack Dorsey, the mobile payment card Square now has 30 million users in the US, is moving into Canada and Japan, and announced at the end of 2015 that it was going public. In Japan, the contactless SUICA (Super Urban Intelligent Card), built into smartphones, is used by the rail company JR East as both a ticket and a means of payment (e-wallet). The aim shared by all these tools is to make payment easier and faster than with plastic. Even more innovative, the Polish firm mBank allows clients to take out loans via their smartphones in just a few seconds! As for "bitcoins", and their Swiss cousin "ether", which are both electronic currencies and secure anonymous payment systems for private individuals, they are said to represent the equivalent of a billion dollars circulating globally.



[1] Source: ECB payment statistics, September 2013

Customer satisfaction is everything!

Web users are more connected and involved than ever before. Having established their power over brands, they expect customized offers and contacts, smooth and simple customer relations, and more disintermediation.

9,9

times: the average monthly number of mobile banking viewing per user.
Source : Deloitte, Banking Customer Experience, 2015.

Reinventing the experience and anticipating customer needs

Digital technologies are transforming customer relations. Thanks to the rise of predictive technology and big/smart data, many players are customizing their offerings and their marketing. This is true of the US bank Capital One, which now sends ultra personalized messages to its customers when they renew their cards. Like those at Netflix and Amazon, banking algorithms analyze purchasing histories so that they automatically know which organizations to inform when a customer changes a payment card.

It is the same for banking products: consumers now expect personal bankers to be proactive and offer solutions relevant to their current or future situation, especially at key points in their lives (buying a home, setting up a company, starting a family) and also at times of hardship (divorce, unemployment, illness, etc.) Personal bankers are trained to use digital tools and collaborative working methods, and have to think “customer” instead of “product”. They have lost their roles as repositories of knowledge, and are not the only source of information for these new “active consumers” who interact more and more with brands in “extended enterprise” mode. Sharing views and knowledge on social networks and collaborative platforms becomes a source of innovation. The customer now increasingly takes part in developing and improving the banking products and services of the future.

Custom services are also on the rise. Each customer, according to the context, will be able to begin the purchase of a financial product on line, to carry on with the transaction at the bank, and to conclude the purchase at home on a tablet. The dematerialized histories and all the documents provided will be recorded so that they can be reused for future purchases, whatever channel is used. This move towards an omnichannel distribution model makes personal bankers more independent and more efficient in terms of customer relations.

According to a recent study by EY, 43% of “fintech” customers say they chose these “pure players” for a single reason: the simplicity of opening an account on line or from a mobile device. Dematerialization is now highly valued by consumers in general and bank customers in particular. In this context, the personal banker has to understand these new expectations, be familiar with the related digital tools, and even become an internal driving force for the changes the bank must undergo.

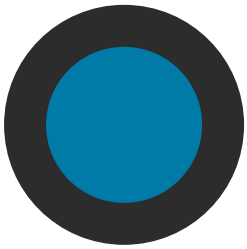
The need for personal bankers to adapt to cope with disintermediation

According to the World Retail Banking Report published by Cap Gemini and Efma, retail bank customer satisfaction rates dropped 1% globally in 2014 for the second successive year. The reason cited is the lack of time personal bankers devote to customers. Disintermediation, which relieves personal bankers of tasks with low added value, helps to make up for this time deficit. Even in the framework of a sophisticated operation such as taking out a property loan, some steps can be digitalized. Customers can simulate the loan online, scan the documents required, and send them to the bank via e-mail, which means that the personal banker can devote more time to them when they actually meet.

But disintermediation will be seen in many other areas too. Online banks specializing in asset management use “banker bots” to offer customers investments adapted to their profiles, factoring in the desired level of risk. 3.5 billion dollars worth of assets are already managed by the two leading players in the sector, and market analysis firm RBC Capital Markets estimates the market to be worth over 500 billion dollars in the US alone. Banker bots especially target Generation Y, whose members are highly digitalized and less reluctant than older people to use the Web not only as a source of information but also to make purchases. But although these robots offer a personalized solution for each customer based on known financial products, they are unable to manage complex issues such as inheritance planning or investment in major projects. When larger amounts are to be invested, personal bankers step in.

3,5

billion dollars of assets managed by “banker bots”.
Source : RBC Capital Markets.



65%

of customers need a real-time management of their bank account.
Source : CGI, *Comprendre les attentes des consommateurs du secteur bancaire,* 2015.

Analysis of banking sector job offers carried out by the operational strategy consulting agency Weave among 14 banks in the US, the UK, Canada, Australia, China and Switzerland, shows that personal bankers are now expected to adopt a customer-centered approach, to develop a close, trusting relationship with customers, to have a sense of service, and to be able to use digital and collaborative tools. As for managers, their role is to help their teams achieve greater autonomy, to develop community-oriented, participative management strategies, and to drive collective intelligence.

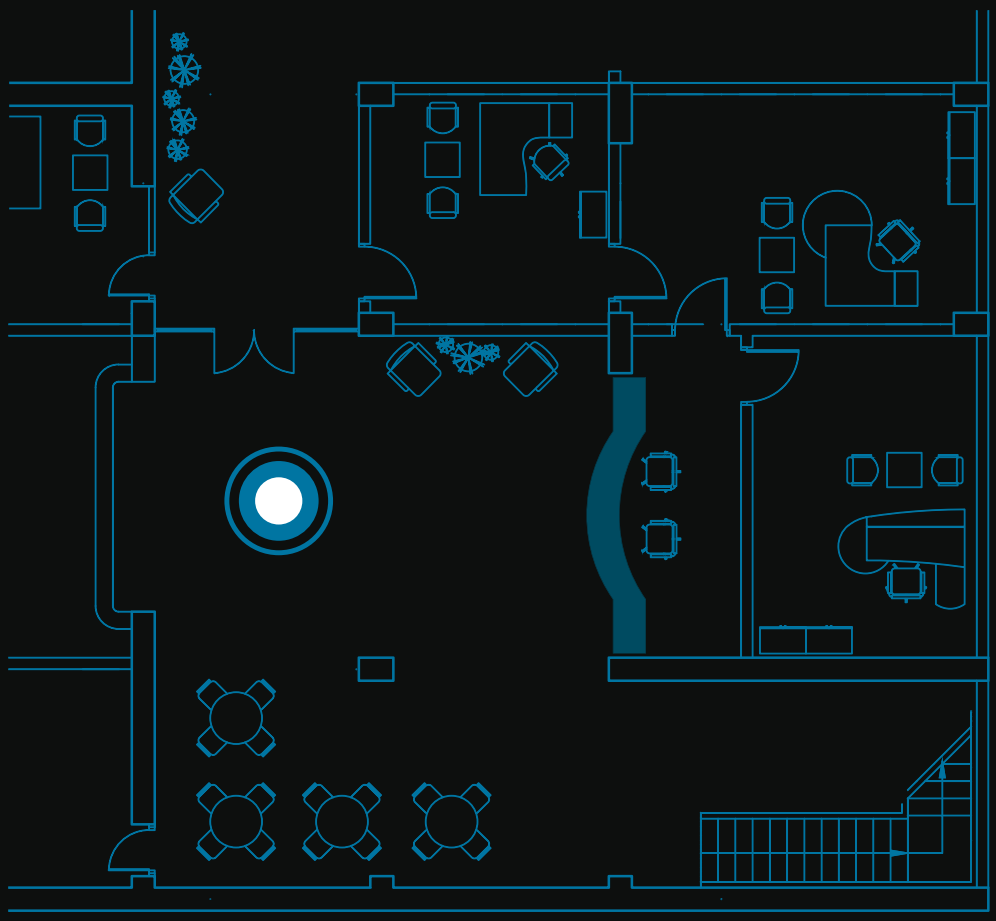
Personal bankers have to perform a balancing act between automated and personalized customer management, and they have to develop a new kind of dialogue. Training programs are clearly essential to support banking staff as their jobs evolve.

These training programs can be broken down into several components. The “tech” component gives staff the keys to coping with new ways of providing advice and making sales. The idea is to quickly train large user groups not only to use social and collaborative tools but also to be aware of the risks they entail. Data protection and cybersecurity are thus also two vital aspects of training in such a sensitive sector as finance. The “customer relations” component of training programs provides personal bankers with the keys to adapting what they say to their customers. The aim is to support the bank as it moves towards a client-centered approach; this is reflected in new attitudes on the part of the personal banker, including active listening, enhanced personalization of meetings thanks to better knowledge of customers, and helpful support for users of the bank’s website and apps. The “expertise” component allows personal bankers to develop their knowledge of bank products, making them into true experts able to point customers towards personalized solutions. Last but not least, the “regulations and risk management” component is increasingly essential as regulations are being tightened and in-house ethics are becoming more and more important.

The programs themselves are also being reinvented: digital learning provides autonomy and gives learners ownership of their own personal development. Banks can implement large-scale, personalized, flexible and certified courses, opening personal bankers up to their environment, their staff, and their customers.

Geofencing to personalize the customer experience

Customer information is concentrated and rapidly available on banks' CRM systems. Installed on smartphones, geofencing (presence sensor) apps alert the personal banker when the customer steps through the door. "Spurred on by startups, who start with a 'blank page' to respond quickly, easily and cheaply to the needs of unsatisfied customers, banks are starting to join the battle for agility and simplicity", observes Sylvain Fagnent, senior consultant at IT consulting firm Octo Technology. It is about time too, because "fintechs" are competitors who really mean business.



Case study

ING trains staff to be more versatile

ING Belgium positions itself as a universal direct bank that allows its customers to access services via their preferred channel. To achieve this, the bank approached CrossKnowledge to adapt its training paths.

To respond to sectoral challenges, ING Belgium has moved towards greater flexibility by harmonizing its products and training almost 9,500 staff to be more versatile. *"Today, training increases the employability of all the staff. We want our staff to anticipate changes and turn them into development opportunities"*, says Jannemie Sente, Leadership Development Manager at ING Belgium.

Towards a 70:20:10 approach

ING Belgium carried out a major planning exercise relating to its strategy for 2015 to become the first universal direct bank on the Belgian market. The strategy has three main pillars: customer orientation; operational excellence; and being one of the best employers. To move towards this culture of transformation, six behaviors were identified and integrated into all HR procedures (job applicant selection, performance management, etc.) The training program was also redesigned to focus on these behaviors. Aware that traditional training is no longer the only option, ING, in collaboration with CrossKnowledge, developed a blended learning approach to management training. Based on the 70:20:10 model (which reflects the fact that most learning takes place at work in cooperation with colleagues) ING Belgium chose to focus on distance learning and informal learning.

“We want our staff to anticipate changes and turn them into development opportunities.”

Jannemie Sente, Leadership Development Manager, ING Belgium.

Training anytime, anywhere

Among the initiatives launched, ING Belgium organized an online summer university and noticed a sharp increase in training hours: logins tripled when the platform went live. The bank is now exploring future steps to take, and wishes to offer modules on iPads and smartphones to facilitate mobile learning. The company also plans to introduce the innovative CrossKnowledge collection entitled “The Team”, created using a television show layout. These digital learning modules are highly interactive, contextual and practical. Learners identify with the characters and are not only viewers but also actors. “The Team” comprises advanced social learning functionalities, and learners can score, comment on, share and save their favorite content. They can also start discussions and make contributions within modules.

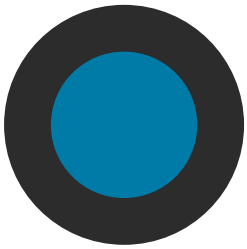
The ING group has noticed a sharp increase in the use of distance learning content. *“We’re getting very positive feedback right now. What I like about what CrossKnowledge offers—and this is what staff tell us too—is its modular format, with short, accessible sessions that make it possible to train anywhere, anytime”*, says Jannemie Sente.

9,500

staff trained to be more versatile.

Big data, regulations, ethics… the transformation of banking practices

With the need to implement regulatory changes, the increasing importance of ethical values in finance, and the emergence of big data, banking practices are undergoing significant changes.



61%

of bank leaders say data analysis is one of the main challenges for 2016.
Source: CGI, Voice of the clients, 2016.

Big data is revolutionizing customer relations

With its famous “three Vs” (Volume and Variety of data, processed at near real time Velocity) big data is revolutionizing customer knowledge, which is the basis for customizing products and services and thus an important source of customer satisfaction.

The banking sector is among those that collect most customer data, just behind web giants and major retailers. The data can be structured (card payments, ATM withdrawals, consulting accounts via smartphone, etc.), semi-structured (e-mails, on-line activity, social media, etc.) or non-structured (customer contacts via call centers or appointments with personal bankers).

Use of big data opens up new horizons for banks. When we know that a customer’s child just got his/her driver’s license and that he/she looked at the “personal loans” page on the bank’s website, we know that he/she is probably thinking about buying a car. The personal banker would be wise to give them a call. This is more or less the principle behind HSBC’s new service: by analyzing all the available data, the bank tries to anticipate overdrafts and alert customers before problems arise.

Analyzing the most popular communication channels according to clientele segment also makes it possible to increase the impact of marketing campaigns. But optimizing all this data depends on three factors.

First of all, banks have to be able to turn “big data” into “smart data”. Second, it is vital to establish an atmosphere of trust that encourages customers to share information with the bank. And third, personal bankers need to acquire the necessary skills to handle the data.

Developing an ethical culture

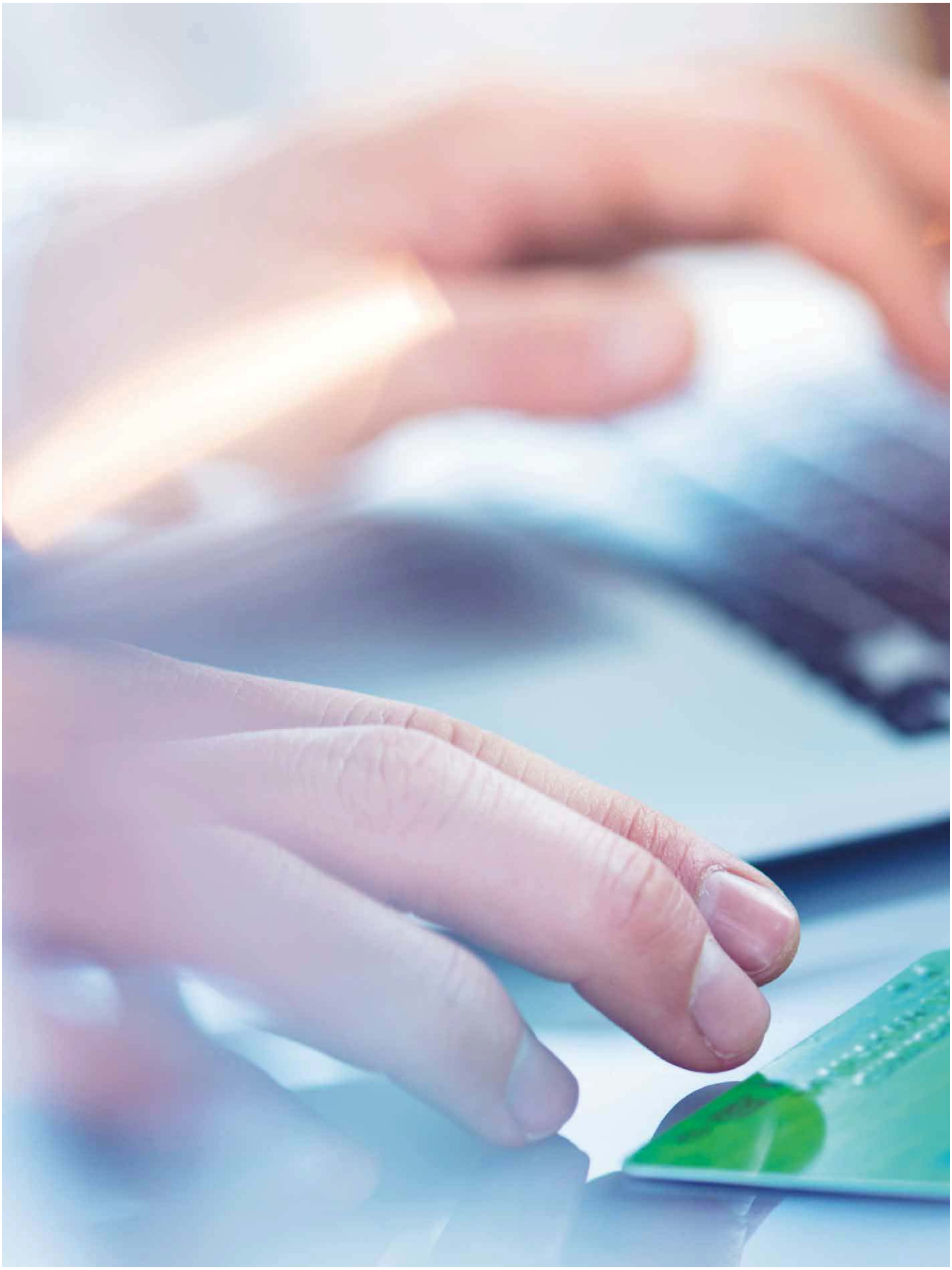
The many financial scandals of recent years have resulted in huge fines, especially in the US. They have also significantly eroded public trust, and there have been calls for an ethical overhaul of the world of finance. But in addition to the necessary reinforcement of regulatory, supervisory and checking measures regarding bank transactions, ethics now have increasing value in all areas of banking—even its internal processes.

Extra-financial criteria are increasingly being taken into account when financing projects, SRI funds continue to develop, and of course more than ever before banks are focusing staff on the ethical values they have to convey. In the document entitled "Ethics in the World of Banking and Finance" published in 2014 by Eurogroup Consulting, Antoine Mérieux, joint editor of the *Moral Report on Money in the World*, encourages the development of a culture of ethics in financial firms, but he also says that *"beyond the formal application of regulations, staff must embrace the values that underlie ethical codes, and the way the company works has to create the right conditions for these principles to be adhered to"*.

Faced with implementing stringent standards aimed at ring-fencing bank practices and avoiding certain abuses, banks are adapting not only their financial products but also, by extension, their training strategies. Training staff to cope with these regulatory changes involves implementing dedicated e-learning content developed "industrially" and flexible enough to comply with new standards as and when they appear. In this precise framework, learner skills assessment plays a fundamental role. Banks are calling on expert partners to develop and edit this content and related assessment procedures independently.

"Beyond the formal application of regulations, staff must embrace the values that underlie ethical codes."

Antoine Mérieux, joint editor of the *Moral Report on Money in the World***.**



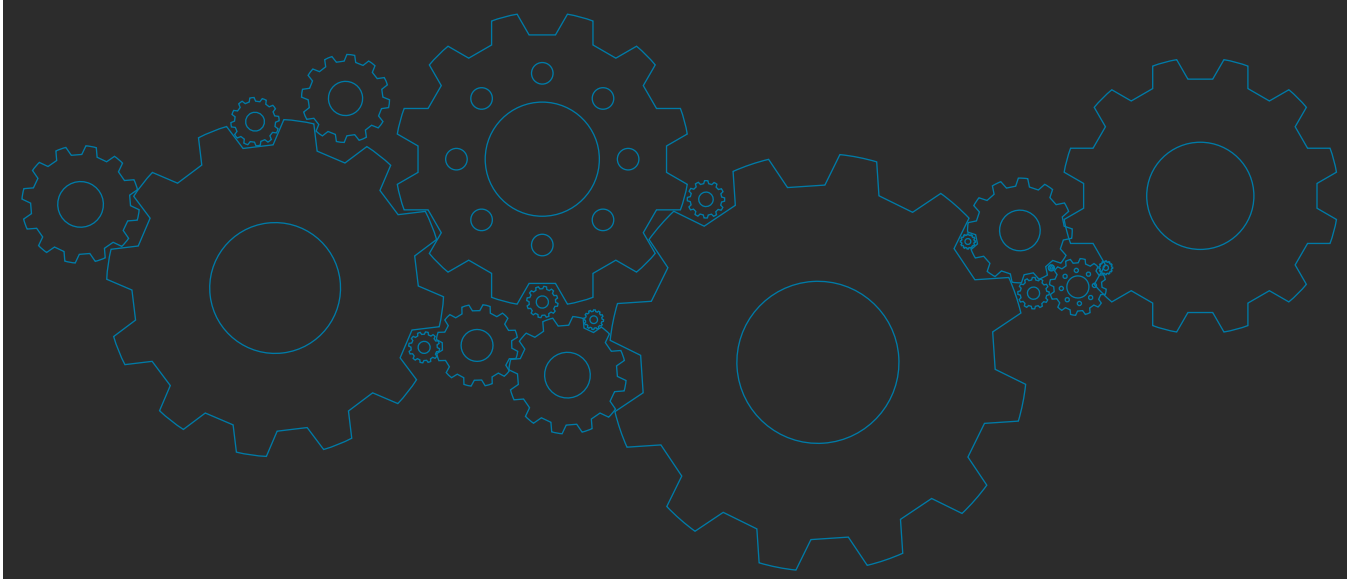
Process automation on the rise

A recent study carried out for Cognizant by the independent consultancy firm E2E Research among 500 business leaders in the US and Europe shows just how hungry banking services are for automation. The sector remains one of the leading users of machine learning, artificial intelligence and big data, and the study claims that between 25% and 40% of banking processes are likely to be automated within three to five years.

But the benefits are not restricted to cost-effectiveness. Most professionals in the sector predict a 10% growth in revenue as a result of analyzing data from IPA (Intelligent Process Automation). Almost three out of four banks are expecting to obtain such results within three to five years.

Moreover, the banking and financial business leaders surveyed believe that they are just at the beginning of the process automation phase, and that it will intensify in the future thanks to the increased capacities of new technologies arriving on the market.

At ING, this automation has already taken root in the HR sector. The bank has developed a portal providing a whole range of information and offering services to the 25,000 staff at its Dutch headquarters. The portal provides access to a knowledge database comprising 1,200 articles on a variety of subjects such as health in the workplace or salary scales, and is also used to automate HR surveys carried out among ING staff members. This is a very good example of how automation can enhance knowledge, skills, and satisfaction levels among staff—all of which are essential to the quality of customer relations.



Case Study

Rabobank's staff took the banker's oath

In partnership with CrossKnowledge, the Dutch bank has developed an online training program on ethical banking practices. As a result, almost half of the staff members at Rabobank signed the "banker's oath" in 2015.

Since 2013, Dutch bank boards and financial policy makers have had to sign the "banker's oath", stating that they will adhere to a code of conduct and ethical practices. Aware of the need to regain consumer trust after the numerous scandals that have recently affected the world of finance, Rabobank proposed that its 43,000 staff might take the oath voluntarily.

A wide-reaching challenge

To encourage them and help them to understand what's at stake with such a commitment, the Dutch bank and CrossKnowledge developed a specific, highly innovative and attractive online training program on best practices in banking ("Goed Bankierschap"). *"We'd never had to tackle a training challenge on this scale"*, says Ciska Raadgever, L&D Consultant at Rabobank. Until now, the eCollege program at Rabobank, based on the CrossKnowledge Learning Experience System, involved certificate courses focusing on specific areas of finance. The *"Goed Bankierschap"* program aimed not only to familiarize staff with the bank's code of ethics, but also to consolidate Rabobank's values and customer approach. *"It involved a large and diverse group of learners; it had to deal with both knowledge and behaviors; and it had to demonstrate the importance of the oath and encourage staff to tie it in with their own role in the organization"*.

“We’d never had to tackle a training challenge on this scale”

Ciska Raadgever, L&D Consultant, Rabobank

Mission accomplished

Combining theory and practice, videos and introspective activities, and modules fostering dialogue with managers and between staff, the program has achieved its goals. In September, over 20,000 logins were recorded, with sessions lasting an average of 2.4 hours. *“Thanks to CrossKnowledge, we opted for a free and autonomous model that strikes a balance between information, incentive and motivation. Our staff were able to choose their own way of tackling the program,”* says Ciska Raadgever. Users looked at half of the resources on offer.

Among the most popular content was the blog by Rabobank Netherlands CEO Wiebe Draijer, as well as videos and digital learning modules on values, customer orientation and the “bank of the future”. *“Almost half of our employees voluntarily signed the banker’s oath. The success of the program proves that we can use the eCollege to encourage staff to manage their own training. We’re now looking at creating training paths on skills development and behavioural change, by using the CrossKnowledge Library,”* concludes Ciska Raadgever.

43,000

staff can take the “banker’s oath”.

20,000

logins to the training program.

2,4

hours spent on average.

Interview

Société Générale: digital learning at the heart of innovation

Société Générale has embarked on an ambitious strategy to promote digital learning group-wide. The challenge is to train the bank's 146,000 staff on new regulations and to encourage innovation. Jad Kfoury, digital learning manager at Société Générale, is heading up the project.

SOCIETE GENERALE

What kind of challenges do the new regulations raise for banks?

Jad Kfoury : Over the past few years we have noticed a rapid increase in the number of regulatory constraints, which are more and more stringent and have to be implemented within shorter and shorter timeframes. Examples are the Fatca (Foreign Account Tax Compliance Act), which obliges banks in signatory countries to communicate all accounts held by US citizens; the Safe Harbour directive in Europe, which makes companies store all data they have on EU citizens inside Europe, with a compliance deadline of just six months; and the cross-border rule that governs the activities of private bankers with respect to customers outside their region, for which financial organizations must train and certify their private bankers in eight countries within a very tight timeframe.

How does distance learning respond to this challenge?

Jad Kfoury : Digital learning allows us to train a lot of people very fast. If we had to rely on classroom training, we would need several thousand training hours just to train all our staff, and it would take several years. Digital learning, especially the Mohive solution offered by CrossKnowledge, helps us rise to this challenge by developing distance learning modules very quickly: we can actually spend up to 90% less time than with standard content development methods. It means we can train and certify our staff more cost effectively and in record time. Over the four years we've been using Mohive, we've trained 150 project managers who have produced almost 330 modules internally.

More generally, what's the digital learning strategy at Société Générale?

Jad Kfoury : Société Générale is committed to a wide-ranging program of digital transformation called "Digital for All", designed to encourage innovation within the organization, to improve processes, and to offer new services to end customers. Training has to contribute to this transformation and respond to these new core business challenges. To achieve this, we are entirely redesigning our training program using new digital modalities to respond to our staff's real needs (user-centric approach) and those of the organization (time to market). The idea is to leverage all the opportunities digital technology offers: agility, interactivity, short formats, the anchoring effect, etc. Our aim is to develop staff skills in synch with the bank's transformation challenges, helping our people to embrace the digital experience and keeping as close as we can to the "AnyTime, AnyWhere, AnyDevice, AnyContent" model.

Our second aim is to give our staff ownership of their training programs. Just as the group has put them at the center of its digital transformation process by giving them tablets, we train them to create training modules themselves. Thanks to Mohive, we support and train project leaders so that they can develop their own programs responding to specific core business needs. We give them the skills and coach them so that they become autonomous. Thanks to Mohive, but also thanks to other modalities (virtual classrooms, MOOCs, micro-learning, social learning and so on), digital learning helps us to actively involve our staff in developing their skills, and to make Société Générale into a learning enterprise.

146,000

staff to form.

330

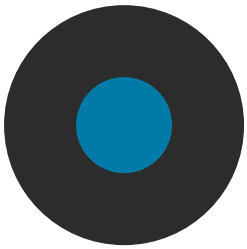
modules created by 150 managers.

90 %

time saved in content creation.

Reinventing the bank to survive

Whether it be in terms of organization, revenue sources or the format and activity of local branches, banks are changing as they constantly seek to please their customers – sometimes even by involving them in these transformations.



40%

of banks want to start open-innovation programs with startups.
Source : Efma Infosys Finacle, Innovation in retail banking, 2015.

Entering the « co- » era

Silos are a thing of the past! What we now need is collective intelligence and an organization where all the different departments work together to ensure customer satisfaction. Banks create their own internal social network where staff can share experiences, opinions and best practices. They use e-learning to train their teams massively, and build customer feedback into the iterative development cycles of their new products and services. *"We've entered the "co-" era!"* says Nathalie Doré[2], CEO of L'Atelier BNP-Paribas North America, whose mission is to detect the emergence of groundbreaking innovations.

According to Françoise Mercadal-Delasalles[3], Resource and Innovation Director at Société Générale, *"digital tools are changing the way the bank innovates. We've moved from a closed approach to an open one: 'open innovation' is turned towards the exterior and able to capture what's changing in the world"*. Taking inspiration from the agile working methods of startups, the bank organizes hackathons lasting several days involving developers and focusing on IT programming, and is developing "pizza teams" (small project teams) and "design thinking" (an innovation method characterized by a multidisciplinary, human-centered approach).

This change in approach necessarily goes hand in hand with ambitious training programs. Staff have to be guided towards this culture of open innovation so that they move from a situation where everything was compartmentalized to a framework that's much more open to changes in the way digital technology is being used, as described by Françoise Mercadal-Delasalles.

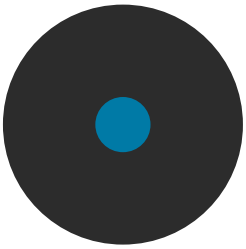
[2] Cultures Services magazine, April 2015.
[3] Société Générale press release, 23 November 2015.

The changing face of banking

With the rise of digital technologies, fewer people are visiting traditional bank branches – especially since the emergence of digital banks such as Hello Bank! launched by BNP Paribas in 2013. But emerging concepts suggest what the bank branch of the future may look like. In the US, Wells Fargo has launched the “Neighborhood Bank Format”, one third smaller than traditional branches. In the same spirit, Bank of Montreal is testing out smaller-format “studio” branches.

At the other end of the scale, some banks are investing in much larger formats to enrich the “customer experience”. In Paris, the 2 Opéra branch of BNP Paribas includes a kids’ area, a lounge, an area devoted to sustainable housing, and even a conference room. In the United States, Umpqua Bank organizes surprising events to generate traffic: yoga classes, theater performances, and free shows for kids!

Still other banks are equipping their branches with the latest digital technology. Allied Irish Banks (AIB) has opened a hi-tech branch in Dundrum called “The LAB” (Learn About Banking), which offers customers several areas where they can experiment with digital services, either in self-service mode or with the help of staff, thus encouraging the use of online and mobile channels. No matter what the scenario, training is key to ensure that personal bankers adapt to the changes taking place in their branches.



23%

of the clients prefer to go to a branch for complex transaction.
Source: Deloitte, Banking Customer Experience, 2015.

Case study

BNP Paribas Fortis: distance learning at the heart of change

BNP Paribas Fortis, the leading Belgian bank whose slogan is "banking and insurance for a changing world", has made training a priority to help its staff adapt to new realities in a changing sector.

To prepare for the move to collaborative learning, BNP Paribas Fortis first went through a blended learning experimentation phase. Blended learning paths were then gradually extended to all the programs, based on CrossKnowledge content.

From blended learning to collaborative learning

To ensure success, the training department designated five test groups, including HR business partners and the Learning and Development community. Two further groups were set up including staff from different departments: high-fliers and new managers.

A training path was also created within the bank's retail division for a group of salespeople. This approach made it possible to test all aspects of the solution, since each group had its own needs and expectations. BNP Paribas Fortis then moved forward very quickly and launched into collaborative learning. Corinne Hespel, Learning & Development Methodology Manager, talks us through the initiative: *"Let's take the example of a staff member who belongs to the "New People Managers" group. He's automatically enrolled on a blended learning path that comprises the formal component of the training (face-to-face and distance learning). He also belongs to one or more "Learning Communities" according to which group or groups he belongs to, which facilitate peer-to-peer interactions and informal learning."*

“The CrossKnowledge platform really is centered on the learner experience and integrates formal learning: these are genuine assets.”

Corinne Hespel, Learning & Development Methodology Manager, BNP Paribas Fortis.

In practical terms, the learner can access various workspaces grouped together on a single training portal called “My Learning Corner”, where he can see details of all his courses and all the distance learning modules available, and also access the “My Discussions” section, which displays all the discussions relating to his groups.

Reinventing the role of trainers

“The CrossKnowledge platform really is centered on the learner experience and integrates formal learning: these are genuine assets”, says Corinne Hespel. These new generation training programs inevitably lead us to redefine the role of trainers. Supporting teams is essential for the change initiative to succeed. *“We had to train our external trainers. In addition to their traditional training experience, they now have to master a new set of skills, such as running groups remotely.”* Trainers are now at the center of the blended learning environment, and a real relationship of trust is built up from the start. *“We’re really well supported, both in terms of project management and technical support. But CrossKnowledge also helped us to think hard about how our sector is changing. These new tools raise a lot of questions,”* concludes Corinne Hespel.

Conclusion

Bank branches, operational processes, personal bankers – all aspects of banking are changing before our eyes. The challenge seems huge for traditional players: competition from fintechs is becoming ever more aggressive, customer behavior is changing now that everyone is permanently connected, and technology is omnipresent and unavoidable. “Adapt or die” is becoming the watchword for a sector experiencing a paradigm shift.

But these changes are above all cultural. *“Going digital isn’t just about investing in tech. It also involves a corporate cultural transformation, with new ways of working internally, working with people on the outside, and thinking about customer relations”*, explains Grégoire de Lestapis, director-general (France) at BBVA[4].

In this context, training becomes one of the pillars of transformation for the banking sector. Bank staff have to support all the changes in progress, be they regulatory, technological, social or strategic. Training them, supporting them, and guiding them towards connected, digital, social, omnichannel banking will be the main keys to the success of new strategies that respond to changing consumer behaviors and expectations.

We hope that this guide has given you some keys to understanding the central role of training in a sector that is undergoing a radical transformation.

[4] *La Tribune*

Learning for
BUSINESS

CrossKnowledge
A Wiley Brand

www.crossknowledge.com