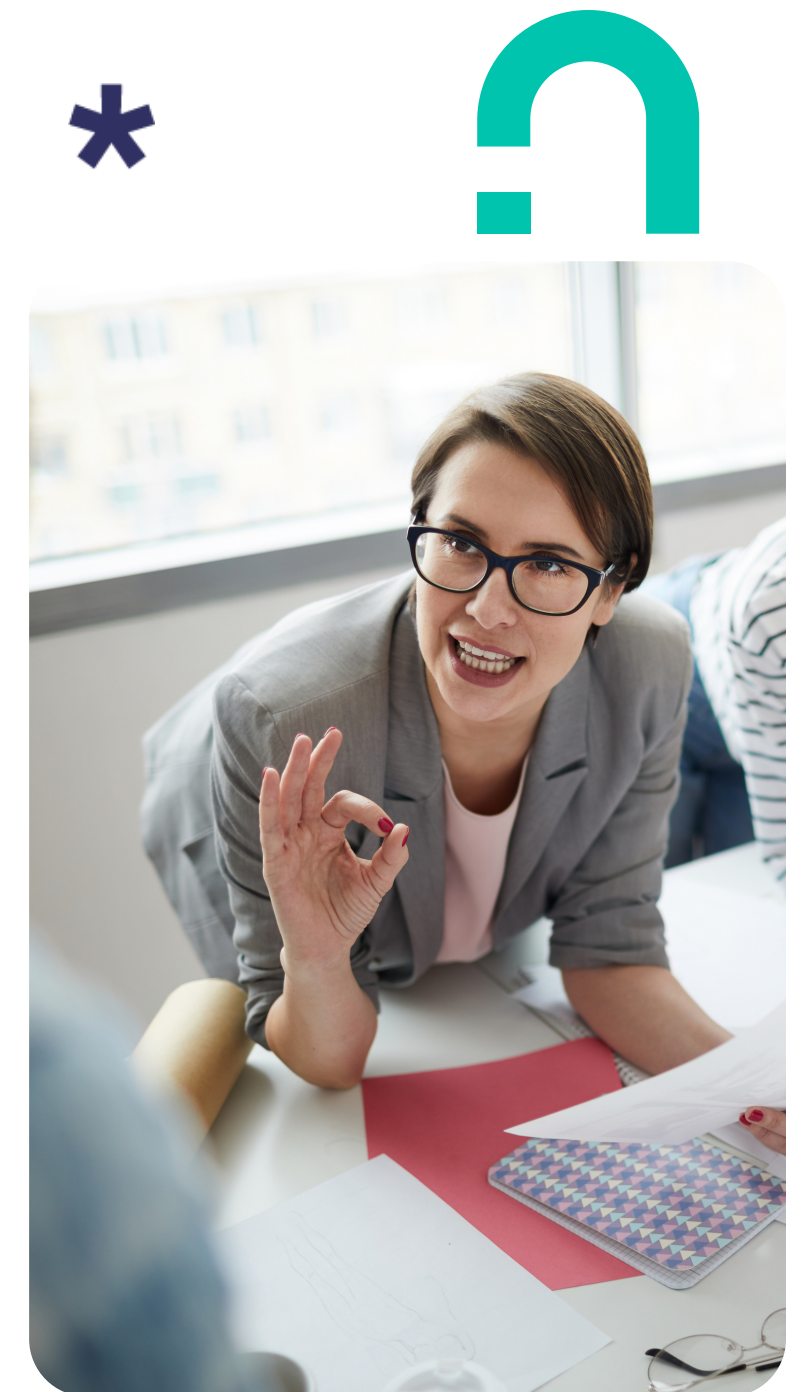


PROFESSIONAL DEVELOPMENT

8 Secrets to Creating Change in Financial Services Without Rocking the Boat



In 2022, financial services organisations will continue on a trajectory of rapid digital transformation. 56% of CEOs plan to increase investment in digital change.

What are the barriers to a successful change programme?

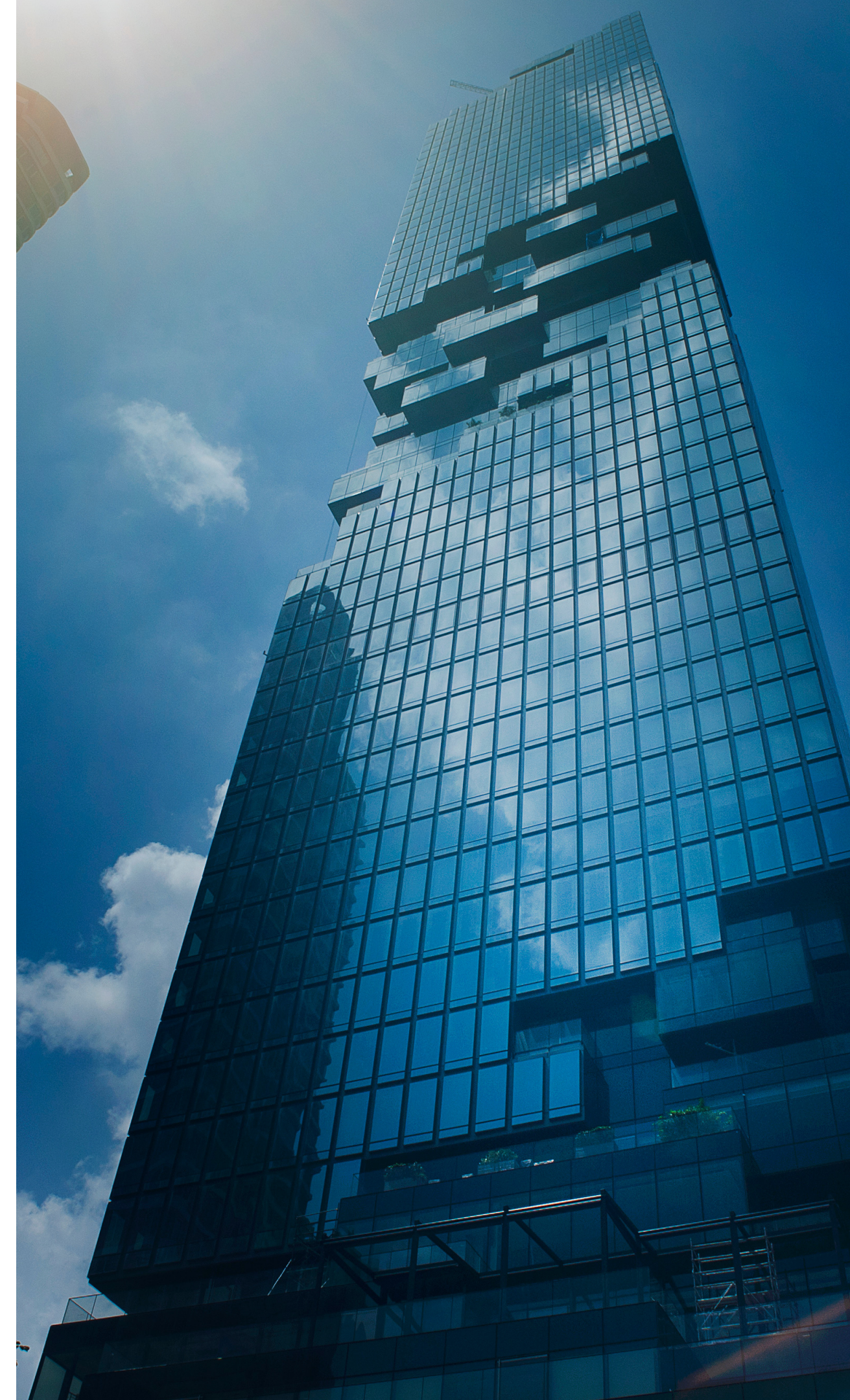


73%

Everest Group, 2018

of enterprise transformations fail to scale effectively enough to produce a sustained return on investment.

According to a 2018 study, 73% of enterprise transformations fail to scale effectively enough to produce a sustained return on investment. The difficulty for leaders in getting stakeholders to rally around them is well documented. Are you pushing to change too much or not enough? Change, in any walk of life, can be a source of friction. Here are 8 secrets to creating change without rocking the boat.



1. Communication is key

Establishing strong communication with stakeholders, staff, and customers is vital for organisational transformation. Specifically, keeping your employees in the loop with ongoing changes will ensure smooth progression, promoting a company culture of trust and helping them to step out of their comfort zones and embrace new processes.

- Communicate frequently and consistently across multiple mediums including in-person, email, and video.
- Enable a two-way conversation, where employees can come to you with any worries or questions they may have.
- Outline the context and benefits of the changes taking place, helping people to understand the motives behind them.



2. Choose your team wisely

Finding the right talent to complement and carry out your company's transformation is imperative to success. According to research by McKinsey, the right employees have the potential to accelerate digital transformation by 20-30%.

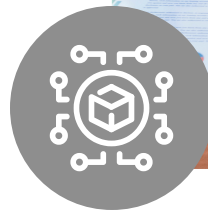
In 2021, an estimated 2/3 of companies hired senior IT or other technical staff, with this trend set to continue into 2022 and beyond. Microsoft estimate that there will be 149 million new jobs by 2025, in key roles such as:

- Cybersecurity- e.g., Chief Security Officer.
- Software development- e.g., UX Designer.
- Data analysis and AI- e.g., Data Analyst.
- Cloud computing- e.g., Cloud Architect.
- Privacy and trust- e.g., Compliance Specialist.



“Attracting a diverse talent pool, developing their skills, and fostering workforce buy-in will be a make-or-break challenge for organisational transformation. Embracing new ways of working, including the move to hybrid working models, will make an organisation more attractive as a place to work.”

- Isabelle Jenkins, Leader of Industry for Financial Services, PwC UK



CREATING CHANGE

3. Invest in technology

Research has shown that firms who allocate a higher portion of their technology budget to change experience fewer cyber security incidents. Bringing in the right tech to aid your transformation journey is vital for a seamless transition, offering your employees the tools they need to better serve customers and keep up with the pace of digital change.

When it comes to choosing which technologies to invest in, there are several key areas businesses are currently focusing on for financial services growth in 2022. These include big data and analytics, AI and machine learning, robotic process automation and cloud infrastructure.



* THE PRICE FACTOR

When looking at tech, the real cost goes beyond price. Neglecting aspects such as scalability, usability, and interoperability can end up costing the company far more than initial deployment. Don't ignore the ripple effect of these factors. A survey has revealed that poor technology was the reason why 32% of employees left their job.

4. Train as you change

Although it is important to bring on new staff to aid your digital transformation, it is equally as important to train your existing workers, with an estimated 54% of employees needing reskilling by the end of 2022.

14% of employees currently have low digital aptitude, along with 41% only having moderate aptitude. Introducing new technology to individuals who lack the necessary knowledge to operate it is a guaranteed way to cause friction. Fortunately, staff seem keen to learn, with 68% stating that they are willing to retrain.

“Companies that invest in their people, commit to their development, and respect their ideas build a loyalty that makes change management much easier to realize within the walls of the company.”

- Daniel Newman, CEO, Broadsuite Media Group

* BENEFITS OF UPSKILLING



Training existing staff can save financial firms significant cost, up to £49,100 per employee.



Offering training to staff boosts their engagement, productivity, and performance, along with increasing customer satisfaction.



91% of survey respondents said the company's approach to training was the main factor when deciding where to work. Upskilling is key to employee retainment and also creates an environment that attracts new talent to the company.

5. Anticipate problems and risks

Effective risk management is an important factor in change. Firms that consistently readdress risk are more likely to achieve higher rates of change success compared to those that take an ad-hoc approach.

The most common risks are:

- Employee resistance
- Lack of staff awareness
- Stakeholder commitment
- Insufficient budgeting
- Lack of management
- Lack of governance
- Lack of communication
- Unclear deadlines

By proactively addressing these potential pitfalls, you increase the likelihood of a successful transition and ward off any unwelcome surprises.



"In a world dominated by financial and regulatory risk, it's easy to overlook the risk that arises from digital transformation. By getting a handle on digital risk, board members have a chance to deliver a better customer experience, get their firms fit for the future, and do their part to create a more resilient financial ecosystem."

- J.H. Caldwell, Global Risk Advisory Leader, Deloitte



“Small wins matter more because they are so much more likely to occur compared to the big breakthroughs in the world. If we only waited for the big wins, we would be waiting a long time. And we would probably quit long before we see anything tangible come to fruition. What you need instead of the big wins is simply the forward momentum that small wins bring.”

- Professor Teresa Amabile, Harvard University

CREATING CHANGE

6. Celebrate the small wins

Taking the time to recognise achievements, no matter how big or small, is essential to keeping employee morale high and your company culture strong, especially during extended periods of change.

This also offers your team a positive way to measure progress and an opportunity to reward your staff, with 31% of employees revealing that being valued and praised encourages them to be more productive.

✱ MARK OUT KEY MILESTONES

Planning ahead of time, so that when you're in the thick of change you don't lose sight of the little encouragements that make a big impact, is a great rule of thumb. Mark out key milestones in your roadmap, both for everyone involved and for individuals key to progress, where you can do something to make them feel valued.

7. Treat legacy as a resource

One key theme in transformation within financial services is the removal of legacy systems and implementation of digital alternatives. However, companies are often reluctant to let go of processes that they have injected significant resources into and that have guided them for years.

Although moving past legacy systems is necessary, it is important for companies to assign strong leaders to harvest the best aspects of legacy processes and carry them forward. Though old tech may need updating, entrenched processes should be respected. Often, they can be key in tailoring new technologies to meet staff expectations.

The importance of legacy use is equally important to customers. User experience is key to ensuring customers don't wake up to dramatically different systems that don't facilitate old habits of interaction.



“Supporting the demands of new digitally savvy customers presents a huge challenge for established organisations. Legacy financial services organisations are often using 40-year-old technology infrastructure. It wasn't designed, it evolved. Migrating onto something new is incredibly difficult and complex. It requires a vision and a progressive plan for modernisation.”

- Isabelle Jenkins, Leader of Industry for Financial Services, PwC UK

8. Futureproof your plans

If your organisation is gearing up for change, ensure that your strategy offers plenty of room for the future. The improvements you plan to make won't be the only changes that will occur over the next decade. Make sure there is flexibility in the system you put in place to adapt to changing technological innovations and an evolving business landscape.

Key questions to ask are:

- Does my change strategy have strong ESG foundations that address our organisation's wider sustainability targets and the outcomes of COP26?
- Will we have the right processes and technologies in place to meet current (and potential) regulatory requirements, or to address compliance issues?
- What are my competitors doing? What mistakes have they made? Has my research shown that this transformation takes us in the right direction?
- What do my customers want? Is this trajectory the one they would be happy with? Will it be robust enough to keep them happy for the next decade?



Keep these 8 rules in mind to ensure your business tackles change the right way. Lead the charge in your company's evolution to a modern financial firm fit for 2023.

If you need help with your digital transformation, contact us at [Beyond Encryption](#). We empower financial services organisations to communicate digitally, securely, and compliantly. We're protecting communications throughout the financial services industry, connecting advisers, providers, platforms, and third-party services through our secure email solution, Mailock. Get in touch today to see how our team could support you to secure your digital communications.



Securing document



Mailock email encryption makes it easy to digitise sensitive communications and maintain full protection and compliance with regulatory standards. Using AES-256 encryption and 2-factor authentication, Mailock empowers businesses to exchange documents with customers, partners, and colleagues using email, without opening their communications up to the risk of a cyber incident.



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