

Deloitte and UBank: *An unconventional relationship for growth*

Client profile:

From the moment the lift doors open at UBank's headquarters in North Sydney, it's clear this is no ordinary bank. Bright colours, funky design, a young team and a CEO in T-shirt and jeans all highlight that this is a bank being built from the ground up for the digital age.

UBank was founded as a start-up business by National Australia Bank in 2007. It opened its online 'doors' in October 2008 and has since attracted more than 300,000 customers and over \$10 billion in deposits, while building a brand that is known by 35 per cent of all Australians.

The bank offers a range of banking products, including savings accounts, term deposits, home loans and specific investment offerings for self managed super funds. It allows customers to complete all their banking online, complemented by comprehensive call centre support.

A key driver of UBank's growth has been a close working relationship with Deloitte, which has supported the bank with a wide range of business consulting and technical services. According to UBank General Manager Alex Twigg, "Deloitte has been a critical part of UBank's success."

Challenges:

As one of the first new banks to be established in Australia for many years, UBank has faced numerous challenges – from establishing its operations and developing products, through to creating its electronic customer channels, launching marketing campaigns and meeting their ambitious growth plans.

"I often say to people that UBank is a digital business that happens to sell financial services and that it's a start-up business where the venture capitalist happens to be NAB," says Twigg. "Those two things create a very unique culture and organisation."

How we helped:

According to Twigg, the key to the successful relationship between UBank and Deloitte has been a high degree of trust, flexibility and creativity on the part of both organisations. This has been essential in helping UBank through its rapid transition from idea to becoming a significant business, while ensuring it stays ahead of the curve in a fast-changing online environment.

Deloitte Consulting Partner, Chris Wilson was engaged by Twigg soon after he was appointed to run the bank in late 2007. Since then, Deloitte has provided a wide range of professional services to complement UBank's head-office at each stage of the bank's development. The roles performed by Deloitte employees have ranged from providing financial and management expertise to web development and testing, web design, IT security, tax and legal advice, and data analysis.

"The Deloitte team has become part of the UBank team, to the point where you could walk around a UBank office and find it nigh on impossible to know who was a Deloitte employee and who was a UBank employee," says Twigg. "It's not a traditional consulting model – it's a hybrid of a consulting model and a staff augmentation model and that's a difficult thing to get right."

One of the biggest benefits for UBank has been Deloitte's capacity to meet its evolving requirements in a very agile way. According to Twigg, "This is our relationship model – it flexes with the ever-changing needs of the business."

**"Deloitte has been a critical
part of UBank's success"**

Alex Twigg, General Manager, UBank



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Alex Twigg, General Manager, UBank

However, achieving that flexibility hasn’t always been easy. In fact, it has required a conscious change to the normal commercial approaches of both Deloitte and NAB.

“There is a NAB-to-Deloitte relationship between two large-scale organisations, but the UBank-to-Deloitte relationship is almost like two start-up businesses working together,” explains Twigg.

For example, Deloitte regularly provides new graduates to support UBank. The graduates start on tasks such as testing new software while gaining an invaluable insight into a fast-growing financial services business.

“UBank is a great training ground for graduates and Deloitte talent who want to see what the creation of a business looks like,” says Twigg. “It’s of great value to them and it’s also of great value to me because it attracts the best and the brightest who want to come and get involved in the UBank account.”

Deloitte and UBank have also collaborated to generate ideas to drive the bank’s growth and help it in building a unique value proposition for its customers. In late 2012, UBank launched a breakthrough service called ‘People Like You’ which was developed in collaboration with Deloitte.

This new service allows Internet users to compare themselves to other banking customers. By drawing on an anonymous version of NAB’s extensive transactional database – which captures information on the financial activities of about a quarter of all Australians – users can learn about the financial and lifestyle choices that others ‘like them’ make.

“People Like You is a really great example of how the two organisations have come together to create value,”

says Twigg. “If we weren’t generating ideas so closely – so joined at the hip if you like – then we wouldn’t have had that idea or even known it was possible.”

Future plans:

As UBank’s business matures, the bank and Deloitte are focused on ensuring the bank maintains its unique ‘for the customer’ positioning and focus on innovation as the online environment continues to evolve. This will include conversations between UBank and leading Deloitte experts in financial services and technology in Australia and around the world.

“With Deloitte’s global capability and the interaction they have with so many businesses and people, Chris is able to call on significant thinkers in this space and allow us to have a mutual exchange of ideas,” Twigg explains. “It’s not a ‘we’re going to tell you what to do because we’re the consultants’ conversation; it’s more a partnership of thought leaders coming together to create new opportunities and that’s really important to us.”

Twigg believes such exchanges will be central to ensuring UBank remains a leader for many years to come. “UBank is founded on transparency, loyalty, customer service and challenging the status quo,” he says. “We do that not only in our products but also in our culture and, in this particular case, in our business relationships.”

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