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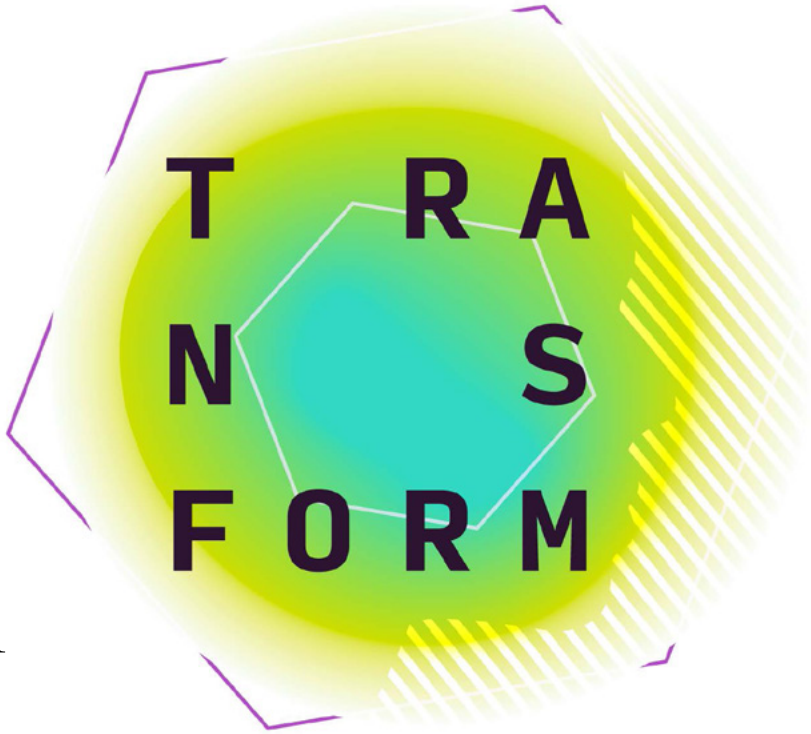

Investment banking digital transformation

powered by Salesforce

The unprecedented outbreak of the novel coronavirus and subsequent social distancing precautions taken by businesses across the globe has put increased pressure on the digital tools we use to maintain operations across remote, work from home settings. For many investment banking and capital markets institutions, this challenge only builds on the fierce competition for deal flow as well as fee and margin compression they face—while also meeting heightened client expectations. Bankers and management are increasingly demanding user-centric applications that promote collaboration, data aggregation to generate insights to better direct client engagement, and tools to simplify managing their client relationships.

Whether your institution was considering a front office digital transformation before the impact of the coronavirus, is currently in the middle of a multi-year program, or is hoping to improve adoption for existing applications, delivering client impact remains a priority. Salesforce and Financial Services Cloud have generated significant momentum by solving for many of the challenges faced by boutique and bulge bracket institutions alike. A sponsoring executive for any front office transformation should focus scarce resources (i.e., budgets, team members, and personal initiative sponsorship) on key phases and tactics that generate the best outcomes.

The factors we have found most critical to delivering a successful transformation are:

Disciplined program management

Clear business definition

Effective technology delivery

Readiness for ownership

Success factor #1: Disciplined program management

Delivering a front office transformation goes well beyond the front office. To be truly innovative and deliver impactful functionality, multiple groups need to be involved in the program from day one. Forming a strategic delivery office (SDO)—consisting of cross-functional business and technology team members—can create strong engagement and accelerate decision making. Given individual program constraints, there is no one-size-fits all approach, however, the **importance of pragmatic program governance cannot be underestimated.**

Regardless of ambition, program duration, or investment magnitude, we have found the following governance tactics to help any program run more effectively.

1. **Identify a chief product owner who serves as the voice of the business and is supported by delegate product owners from their respective areas.** The chief product owner should be a well-connected senior individual who deeply understands the business. It is recognized that no program has the luxury of dedicating a full-time product owner in this environment. To support the chief product owner, we recommend adding up to five delegate product owners from the bank's priority groups, with Regulatory and Compliance embedded from the start.

2. **Stand up an advisory council made up of users across varying levels and roles who are passionate about technology and not shy about sharing feedback.** The value of securing product feedback early and often cannot be overstated. This group fills that void, meets monthly to review the latest product increment, and is closely connected to the chief product owner.

3. **Start a design authority board composed of technical subject matter experts to solution for functional gaps.** A design authority board provides an outlet to resolve key decisions or solutions that are non-standard and require extensive customization or may violate the program's guiding principles. This prevents technical debt and optimizes investment.

4. **Host predictable and recurring Agile ceremonies that deliver sprint-to-sprint efficiencies and timely product increments.** Maximum throughput can be achieved when responsibilities are clear and Agile ceremonies for Product Backlog refinement and Sprint demos, among others, occur on an expected cadence. Part of this requires the program to be relentlessly introspective and come together throughout the transformation to commit to improvement.

5. **Create an innovation-sensing and rapid prototyping workstream to source new ideas on a quarterly basis.** A standardized set of steps and evaluation criteria can help make ecosystem vendor evaluation more efficient—quickly identifying critical no-go decision points, potential benefits, and fit for a client's ambition. Ecosystem sensing and AppExchange exploration can be delivered through Deloitte's Catalyst Innovation Hub to amplify platform impact.

While avoiding governance pitfalls is critical, there are just as many unique considerations that go into creating a shared vision for a future client engagement platform.

Success factor #2: Clear business definition

The success of a client engagement platform hinges on answering:

- Who will use the platform and what do they need it to do?

- Where can Salesforce add greater value to the business?

- How can we promote adoption now and into the future?

A human-centered planning approach provides answers to these questions in a cohesive and focused format. Building on a foundation of deep user insight, it clearly articulates user needs and defines a future experience that addresses those and other, broader opportunities.

Once these questions are explored, a well-crafted vision statement and life-changing banker journey showcase the program's objectives and create shared understanding. Delivering this life-changing banker journey can drive sustained adoption and set a new standard for digital experiences, while enabling critical business outcomes around new efficiencies and growth.

If done well, the planning phase serves as a springboard to accelerate all aspects of implementation. We have identified the following components of effective planning phases that help create shared understanding and improve delivery coordination throughout the transformation team and eventual end users.

1. **An accelerator-led development approach that tunes Salesforce's Financial Services Cloud features to Investment Banking best practices.** Deloitte accelerates development by starting with our Investment Banking Digital Bank accelerator which brings a deep understanding of banker-management collaboration points. This greatly reduces the need for workshops, ideation, and process reviews while promoting richer conversations with time-constrained bankers and management.

2. **A life-changing banker journey that vividly illustrates how critical tasks become more collaborative and data-driven while the recurring, mundane tasks are automated away.** This journey is a visual representation, but it is also used to generate interest for the program and organize development effort. It creates a shared understanding of what is possible and attainable with a horizon long enough to generate and maintain significant endorsement.

3. **A business case that quantifies expected benefits and costs to sustain investment.** Too many executives put their political capital behind programs without being able to accurately quantify benefits and costs. Instead, recurring investment support should be driven by a business case that is grounded in qualitative and quantitative KPIs and outcomes.

Planning is the optimal time to perform the activities above and create the program artifacts required of the delivery phase. As a result, executives should expect to see greater momentum as the delivery phase begins.

Success factor #3: Effective technology delivery

Innovative solutions should appropriately navigate technical and regulatory considerations. **A "North Star" data governance and technology architecture**, which guides continual evolution to Salesforce and cloud-based applications and maps to (or even drives) your enterprise's overall cloud strategy, can help. Our experience has yielded insights into some of the most complicated aspects of digital transformation within Investment Banking to accelerate delivery while being mindful of regulatory and compliance prerequisites. In particular, understanding the user experience implications to architecture decisions and engaging more than just the technology group to determine overall fit. Aligning critical stakeholders on the desired end state eliminates time-consuming back-and-forth discussions during delivery.

Challenges to anticipate include but are not limited to:

1. Managing visibility and entitlement access to deals and records by using native Salesforce entitlement controls or hosting in a separate application

2. Determining the appropriate integration toolset for your organization to connect legacy systems with Salesforce

3. Delivering comprehensive visualizations of all available data to allow users to see and generate client insights

4. Managing the wealth of contact and relationship data bankers generate from client meetings to unlock insights and better direct client engagement

5. Navigating Salesforce Mobile app setup, authentication, and overall security disposition to meet your enterprise standards

While the above list is not exhaustive, it does represent some of the most pressing technical considerations of swift adoption and ownership. Transitioning from a delivery mindset to preparing the platform for ownership is a phase we have simplified given our experience.

Success factor #4: Readiness for ownership

Gone are the days of getting users into a room for multi-office, instructor-style classroom training. Amidst today's social distancing, training and user adoption techniques must evolve. These constraints are only exacerbated by the already time-constrained investment banker persona. Every workshop, communication, and request for time must directly answer, "What's in it for me and how does this help me?"

Cultivating buy-in and testing messaging is critical as the program progresses into user acceptance testing (UAT). Every program should consider establishing a small group of platform champions. Unlike the advisory council, this group is a semi-random collection of users across multiple levels who are not exclusively technology evangelists. Platform champions support user acceptance testing (UAT) during a rollout and serve as the first line of support for their respective groups during releases.

Understanding why employees support some corporate programs and not others is no longer a mystery. Through countless transformations, we have seen that user sentiment must be understood right away to craft a program adoption strategy that is supported by stakeholder alignment, communications, and training tactics. Each program must create a compelling vision, maintain two-way engagement, deliver the right solution, and communicate clear expectations. The following techniques transcend social distancing and can deliver results that lead to strong user adoption and platform engagement.

1. **Periodic risk assessments can help quickly identify gaps in awareness and target support well in advance of program go-live.** Using our scorecard in interviews/surveys of impacted stakeholders, we can quickly identify gaps in awareness and course correct behavior. This allows for more targeted messaging and tactics and leads to greater user adoption.

2. **Using an idea collaboration platform (e.g., Spigit, Brightidea, in-house tools) to source features and gauge audience sentiment** can create a medium for bankers and management to contribute. Enable upvoting and liking for all ideas to let the best inputs rise to the top. Users are recognized for their contribution and network effects occur rapidly.

3. **Understand business outcomes valued by COO(s), group head(s), and managing directors that can be measured.** Craft metrics that align behavior in Salesforce to those business outcomes.

4. **Interview group heads and provide them with pre-packaged talking points each week leading up to rollout.** Empower them to have the flexibility to run their group and direct outreach as they desire while using Salesforce to amplify client impact.

5. **Utilize Salesforce's in-app guidance or WalkMe if one must forgo classroom training.** If users are unable to come to training because of time or social distancing constraints, invest in creating on-platform guidance via self-guided instructional tools. Utilize built-in analytics to understand the most utilized page flows, most searched terms, and commonly abandoned processes. Iteratively observe how your team members are using the platform and tactically refine outreach to keep them coming back.

6. **Maintain two-way engagement to ensure the right messaging is going out to the right people in the right manner at the right times.** Clearly communicate expectations and hold individuals accountable by embedding Salesforce dashboards and reports into weekly meetings and account planning sessions.

Transforming to deliver client impact in uncertain times

Financial institutions and investment banks are feeling unprecedented impacts of the novel coronavirus and the measures taken to slow its spread. While no one knows exactly how the crisis will unfold, executives sponsoring front office digital transformations can utilize Deloitte's learnings to initiate new projects with greater confidence. These tactics can help de-risk delivery and improve the return on investment by developing user-valued features on the Salesforce platform.

To learn more about our Investment Banking and Capital Markets transformation offerings, connect with:

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