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The finish line is an illusion

Sustaining organizational performance to preserve—and extend—the progress you make

A financial organization's move to adopt new workforce strategies and derive enhanced value from them is not a "one and done" exercise.

In the past, you could take linear approaches with a finish line: Identify the problems, assess the gaps, build a solution, then handshakes all around. But today's organization should aim not only to improve performance but to sustain that improvement.

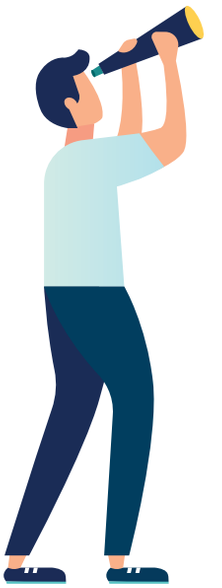
The pillars to make this happen are sense, lead, and extend—to understand what's needed, to invest in the leadership and capabilities that can make it happen, and to use strategic relationships to generate value that's "greater than the sum" of what lies within your four walls. Many organizations can point to targeted improvements they've made, but the high rate of disruption in the sector makes it important to safeguard these gains once they're achieved. That's what sustaining organizational performance is all about.

So, what can each of the three pillars mean in practice?

Sense

Most consumers would say that "banking has gone digital." That makes it sound like a change that's over and done with—as if the industry crossed a finish line. But the internal view is still working toward becoming digital, and there will always be new opportunities to refine performance. As industry disruption continues, financial organizations should continue watching the market and sensing where they will need to go next.

Gone are the days where executives only look to their peers for a benchmark or comparison. Today, we're seeing more decision makers who are finding new sources of information to sense by looking inside and outside their organizations as well as inside and outside their industries. Data can come from a variety of tools, some designed for reporting, some built to listen in on conversations and trends.



Lead
What is a common factor among firms that spend the longest periods atop industry rankings? These firms have transformational leaders who are forward-thinking and prepared for disruption. These leaders understand the capabilities needed from both an organizational perspective and a workforce lens. With transformational leadership, the organization itself becomes more agile and change-ready, and its people are primed to follow leadership down the paths that lie ahead.

Talent and leadership are assets. To sustain organizational performance, it is important to keep and engage an evolving workforce. Today's professionals are largely motivated by interesting work and challenging settings as much as they are by pay. The increasing role of technology means financial institutions are often competing outside the sector for the skills they need. And the rising influence of the gig workforce, already prevalent in other industries, is pushing these institutions to find ways to overcome regulatory issues so they can leverage its potential as well. So, organizations should focus on helping to guide people through a changing career landscape and developing equipped leaders. The point is that transformation in the industry never ends, which is why efforts to improve performance should be perpetual too.

Extend
Many organizations know they need to be on the forefront of trends. That doesn't mean it's easy to know where that forefront is or how to get there. Even if the vision is clear, putting effort into new frontiers may lead to conflict over priorities. The traditional mode of insourcing all talent and technology can provide cost advantages but also increases risk for speed and agility with limited ability to flex to rapidly address emerging skill, resource, or ecosystem needs. Disruptive solutions are challenging traditional methods and can deliver competitive advantage by transforming the way organizations operate.

Looking for strategic and flexible partnerships is about filling gaps in perception and capabilities. A financial organization may need help with strengthening its ability to flex and adapt to new skill, resource, or ecosystem needs. These partnerships can help integrate services that the organization cannot quickly build on its own to innovate, transform, and propel its growth and unnerve competitors—for example,boosting vital digital capabilities and helping to deliver beyond traditional financial transactions to take customer experience to a new level.

The three pillars of sense, lead, and extend can be useful guideposts for the financial services organization that has invested in improvement and wants to continue seeing returns on that investment. Organizations that win in the long run will likely be the ones that are willing to be creative in their solutions, models, and partnerships.

That in turn points to a handful of priorities for financial companies that want to stay on top of the wave rather than letting it pass. One priority is to follow agile principles in process design. The industry's traditional sense of permanence should become more flexible. Another is to use customer-centric design thinking—not to be an organization that adopts digital tools but to become a digital organization.

Building on that foundation, an institution can begin to grow beyond the habits that heavy regulation and risk aversion have formed and begin to approach digital opportunities with "why not?" instead of "why?"

A commitment to service is in the industry's DNA, right alongside the thoughtfulness that guards against risk. Together, these complementary tendencies can power the effort to make performance improvement a race that never ends.

Start the conversation

This article is part of a series on the workforce of the future and its effect on the financial services industry. To read more, visit www.deloitte.com/us/fsi-future-of-work

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