



# Digital Transformation Needs Design

In an increasingly competitive market, financial services firms can't afford to make design an afterthought.

WRITTEN BY **TOSHI MOGI**

PUBLISHED BY **FROG**



▶ **ABSTRACT**

---

Financial services firms are investing billions in digital transformation (DX) initiatives in response to both increasing consumer demand for intelligently-designed user experiences and the entry of digital competitors such as Amazon, Apple, Facebook and Google into the financial services sector—yet these initiatives continually fall short. The COVID-19 pandemic and its attendant social distancing requirements, however, have made the development and implementation of digital tools and services imperative. As firms are forced to embark on digitization initiatives in response, they must understand that a digital transformation without design will only lead to improved efficiency in a soon-to-be outdated service model. Outstanding design is no longer a nice-to-have, but a necessity for survival in the “new normal.”

PAGE	04	<b>Digital Transformation is Falling Short</b>
PAGE	05	<b>Move from Digitization to Transformation</b>
PAGE	08	<b>3 Strategies to Keep Your DX in Service of Your CX</b>
PAGE	10	<b>Lead with Design, Win with Design</b>

# Digital transformation is falling short

## ► INTRODUCTION

---

Digital transformation is a top priority for nearly all of the financial services clients we work with, especially now, as companies rush to digitize and adapt to the remote reality imposed by COVID-19. But digitization is not the same as digital transformation, and the hasty development of digital platforms that do not put customer experience at their center will fail to deliver lasting value for customers or firms.

Most often, we find that companies are prioritizing digitization of processes, often at the expense of a prioritizing well-designed, customer-centric experiences. Many of these companies will adopt adaptive development methodologies, like the scaled agile framework (SAFe), that prioritize efficiency, iteration and technology operations. However, more often than not, customer experience is treated as an afterthought. Ideally, a customer experience-focused strategy requires not only a quality design team, but also a strong commitment to cross-functional coordination, adaptive and rapid decision making, tolerance for uncertainty, and acceptance of learning through failure. In reality, what we've seen time and again are frustrated clients feeling bogged down by inter-departmental politics and slow approval processes, vendors placing their own interests above the client's, and siloed product teams that aren't able to see the full spectrum of customer experiences.

The problem is that "digital transformation" has become a catch-all phrase to describe the process of making legacy companies digitally native, but it doesn't always constitute the concept of "transformation" as a whole, which is the crucial element to success. In other words, getting a team of developers and business analysts together to push your digital products to market fast is certainly valuable, but if those applications aren't connected to your entire organization's digital ecosystem, and aren't serving the client needs in broader, more meaningful ways, then they're falling short of true digital transformation.

# 70%

**of traditional established companies are undergoing some sort of digital transformation**

Source: TechPro Research

# Move from digitization to transformation

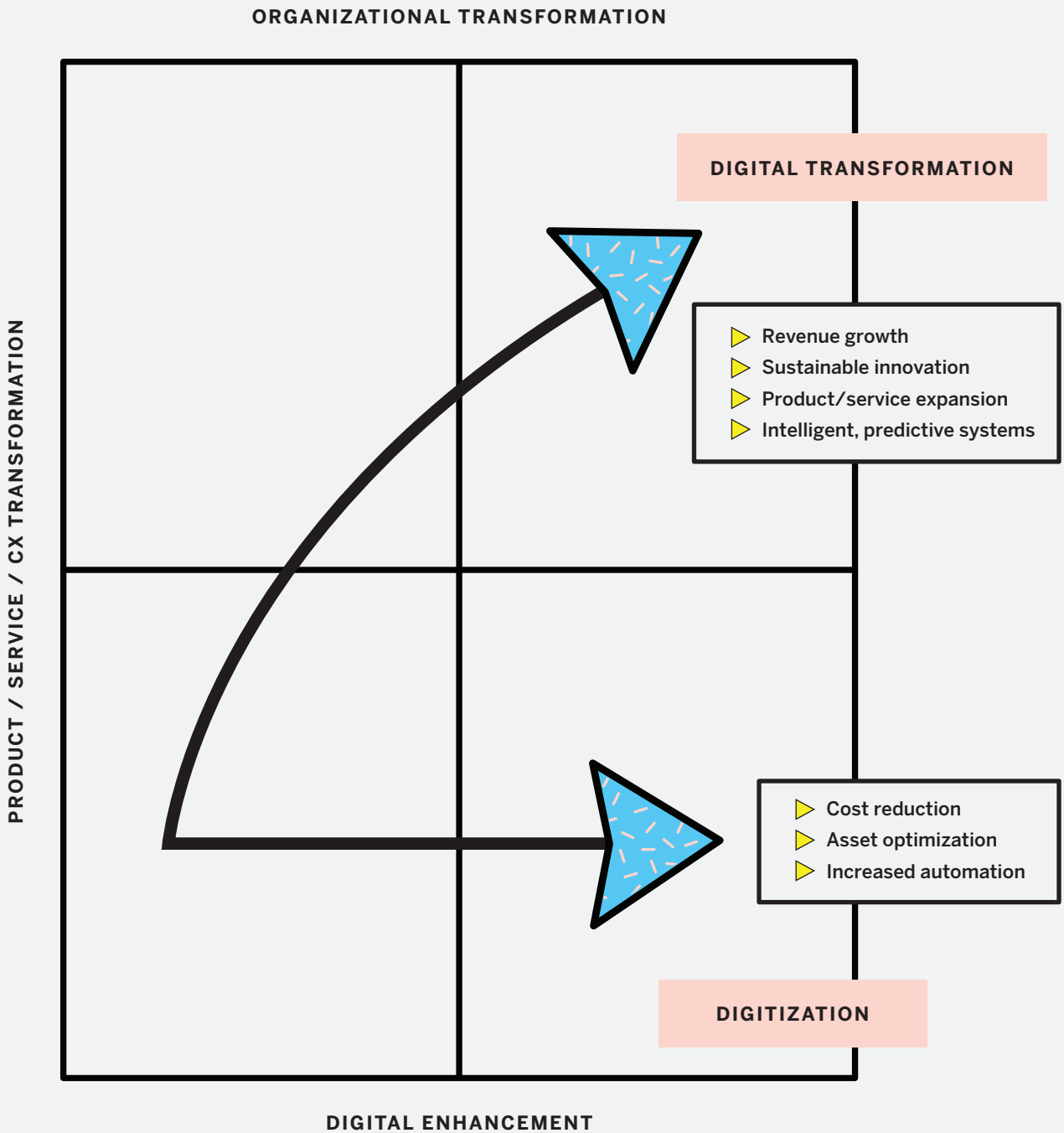
## ▶ HOW CAN A COMPANY MOVE FROM MERE *DIGITIZATION* TO TRUE *DIGITAL TRANSFORMATION*?

---

To improve the success of more strategic outcomes, we recommend that digital transformations be implemented *in service* of a holistic customer experience strategy. Often, large enterprises view these as two separate stages—implementing digital transformation (DX) first, then tackling a CX strategy—but the two should work together in connected paths. Companies that don't prioritize both are missing out on the opportunity to leverage that digital transformation to spark the extensive CX transformation needed to spur revenue growth, present sustainable paths for innovation and the expansion of products and services and increase customer engagement.

Rocket Mortgage is a great example of a firm that is using a CX-first strategy to successfully stand out from its competition. Rocket Mortgage has developed best-in-class customer experiences by being relatable and accessible to digital-native users. They continue to strategically build products, services, technology platforms and operations around the needs of their customers—not the other way around.

While seemingly simple in theory, there are a multitude of many challenges standing in the way of a successful digital transformation leading to an enhanced customer experience. Efficiency and efficacy remain fundamental issues—Forbes reported that out of the \$1.3 trillion spent on digital transformation in 2018, roughly \$900 billion went to waste. In countless occasions, communications challenges between designers and engineers create unsurmountable barriers to progress. Many of the engineering-minded financial services companies that lead these digital transformations have a difficult time shifting to customer experience as well, which results in a lag leaving them behind many tech firms that have embraced CX and design from their inception. In addition, the general attitude of risk aversion in most financial services enterprises is fundamentally at odds with a winning customer experience approach, because there is a level of risk and experimentation required in doing something new.



Anecdotally at frog, we are seeing nearly all of our clients looking to deliver some type of large scale transformation within their organization. High on their list of reasons includes human-centered design and design thinking to leverage customer experience as a strategic differentiator. We are also seeing clients attempt digital transformation by incorporating disruptive technologies like machine learning, cloud platforms and AI. And many of our clients, particularly those being disrupted by startups and new competitors from outside their industries, are looking to move more quickly and intelligently to adapt their business. The interplay of these three factors— digital transformation, customer centricity, and adaptive agility. Evokes what the classic three-body problem from astrophysics: Two bodies in motion can be tracked and predicted, but add a third and you've got chaos.

How can your financial services organization implement digital transformation and an agile approach while keeping your customers at the center of everything you do? The answer, of course, is not going to be found right off the shelf. There is no one-size-fits-all solution for implementing a customer-centric digital transformation, but working with an experienced and trusted partner like frog can arm you with the necessary tools to design the right thing, and build the thing right.

# Strategies to keep your DX in service of your CX

## ▶ IN ORDER TO COME OUT AHEAD, FINANCIAL SERVICES FIRMS CAN USE DESIGN TO IMPLEMENT DX IN THE SERVICE OF CX.

---

Here are three principles to keep in mind when developing a CX strategy:

### **Prioritize customer over product**

It is imperative for organizations to have a CX strategy articulated and in place ahead of any digital transformation. This requires a fundamental shift from focusing on designing products and channels to creating meaningful user experiences and customer journeys. This means putting the customer at the forefront of everything you do. Experience-centered organizations keep the customer journey at the heart of decision-making, which enables them to foster empathy with customers and helps build great digital and cross-touchpoint customer experiences.

In 2016, Schulmberger embarked on a software (r)evolution into the cloud. In doing so, they wanted to ensure that all of the new software experiences were designed and built for the people that were going to be using them. We worked with them to establish a CX strategy, and then delivered a DLS that would guide all subsequent product transformation.

### **Adopt a Design Ops approach tailored to your company**

When going through your digital transformation, it's important to rethink your agile methodology to capture transformational moments to find new value. Utilizing industry standards like Technology DevOps and the Scaled Agile Framework (SAFe) can optimize predictability and time to market, but often at the expense of the CX strategy. Our customized CX extensions to the standard agile methodology, as well as a disciplined approach to design operations (DesignOps), allows cross-functional teams to maintain constant contact with design tools, user insights and customer feedback so that they are prioritizing the delivery of value, not just product features. We've worked with clients at all different levels of design maturity to scale and customize DesignOps solutions for their bespoke needs, based on factors like high or low customer engagement.



**Don't let your DX process overrule your CX**

When embarking on DX, the tactical solution is usually to hire creatives to implement the new customer-centric vision. But the strategic approach is to ensure that design (CX) and development (DX) are managed as one system, with equal voices, working towards a common vision. Aligning diverse skill sets, enabling tools and platforms, empowering designers, and supporting designer-specific people management components frees up your designers to focus on world class design instead of operations.

When Intuit decided to revamp their suite of digital applications, including the popular accounting software Quickbooks, we knew a design language system would help them align on a vision and ensure that a customer-centric approach carried through every step of the development process. We created Harmony—a DLS and online toolkit that could be leveraged by teams across Intuit to enable processes and structures that helped them continually evangelize the design system across their organization. As a result, Intuit saw a 30 percent jump in revenue, and they were able to deliver products to market twice as fast.

# Lead with design, win with design

## ▶ CONCLUSION

---

In an increasingly competitive market under additional pressure to adapt to the constraints of a global pandemic, financial services firms can't afford to make design an afterthought. Furthermore, as customer expectations continue to evolve and new competitors arise in the financial services space, incumbents must start to implement design by leveraging digital transformation and DesignOps to enhance their customer' experience. Working with a human-centered strategic partner like frog can help your organization articulate and define your financial services CX strategy to make sure that you're providing real value to your customers, not just for today, but well into the next normal.

### References

<https://www.zdnet.com/article/survey-despite-steady-growth-in-digital-transformation-initiatives-companies-face-budget-and-buy-in/>

<https://www.forbes.com/sites/forbestechcouncil/2019/08/29/digital-transformation-is-further-along-than-you-think/#63c598a358d5>

# frog

frog is a global design and strategy firm. We transform businesses at scale by creating systems of brand, product and service that deliver a distinctly better experience. We strive to touch hearts and move markets. Our passion is to transform ideas into realities. We partner with clients to anticipate the future, evolve organizations and advance the human experience.

**To start a conversation about designing for financial services,  
contact [frog.marketing@frogdesign.com](mailto:frog.marketing@frogdesign.com)**

[www.frogdesign.com](http://www.frogdesign.com)

Published by frog © 2020 frog design, Inc. All rights reserved. All brand and product names are service marks, trademarks, or registered marks of frog in the United States and other countries.