



# Driving digital transformation through people, process and technology

## The DNB story

DNB's digital transformation allows them to deliver more value to customers through better use of data.

# DNB

Norway's largest bank DNB faced a pressing priority to drive digital transformation through better use of its data. The challenge confronted by the bank was the same one that faced its peers. The financial industry is undergoing a period of unprecedented competitive pressure, triggered not only by the arrival of new entrants who are unencumbered by legacy technologies, but also new requirements from increasingly demanding customers as well as more exacting regulators.

In light of these pressures, a recent Gartner study concluded that 80% of financial institutions could be irrelevant in 10-12 years' time<sup>1</sup>. The statistic serves as a call to action evidencing the urgent need for digital transformation across the industry.



1. <https://www.finextra.com/newsarticle/32860/most-banks-will-be-made-irrelevant-by-2030---gartner>

## Going Digital: What Does it Mean?

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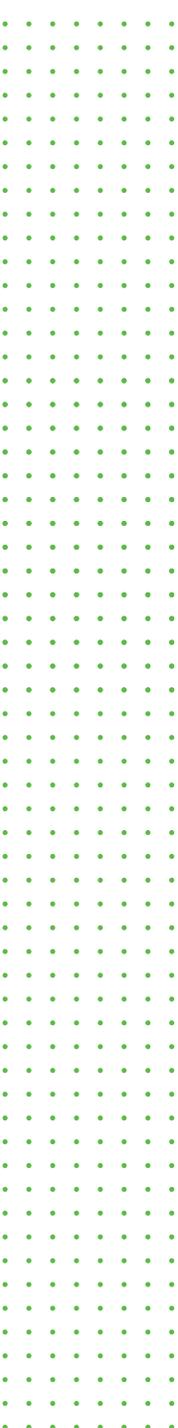
Aidan Millar  
DNB CDO

Although the imperative for digital transformation may be clear, it is perhaps less evident how firms ought to go about it. “Everyone talks about going digital, but it’s not merely a thing; it’s a new way of doing things,” explains DNB chief data officer Aidan Millar.

This new approach is focused on being able to innovate and deliver more value to customers through better use of data. “You can’t just deploy an app and a nice fancy website. You really need to understand your information flows and your data flows across all of your business processes – this is the most important thing,” adds Millar.

Unfortunately, the challenge of getting hold of the right data is by no means trivial for most organizations who are burdened by the complexity of their legacy technology architecture. A bank like DNB has more than 900 data silos, which means records of customer interactions can end up being fragmented and stored piecemeal across those silos. Such “technical debt” makes it much harder to achieve desired business outcomes; such as establishing a single view of customers, understanding value chains, or complying with regulations like BCBS 239 and GDPR.

“It’s a nightmare when you have all of that technical debt. It’s not sustainable. You need to fix it,” notes Millar, adding that the right approach is not necessarily to rip and replace legacy systems, but rather to build a platform on top of them to abstract away the complexity.



# Three Pillars of Digital Transformation: People, Process and Technology

When it comes to operationalizing a digital transformation program, it is important that organizations think about all three key pillars – people, process and technology.

## People

People are the heart of any organization and it is therefore vital for them to be the driving force behind any transformation program. From that perspective, Millar notes that the role of a Chief Data Officer is much like that of a conductor: “you’re not playing an instrument, but you are the person that brings the orchestra together and gets them to play something in a coordinated fashion.”

As such, the CDO’s office needs to foster communities across the organization, provide them with enabling tools, while instilling them with confidence to drive change and providing a vision of what they are striving to achieve. This entails a federated rather than centralized approach, with responsibilities for data stewardship distributed across the organization, notes Millar, adding that “you need data stewards as close to the business as possible.”

## Process

When it comes to having the right processes in place, it is vital that organizations establish a strong ownership structure with clear responsibilities delegated to people at all levels to ensure full engagement. Once that structure is place, organizations can then establish working groups to operationalize data stewardship on a day-to-day basis, notes Millar.

## Technology and Tools

While many may view technology as central to digital transformation, it should be seen more as an enabler. “Data is the foundation of going digital,” notes Millar, adding that platforms like Collibra are vital because they create a collaborative environment where business executives can nurture data and turn it into a true asset. DNB’s digital data architecture combines Collibra’s strength in data cataloging, governance and compliance together with data science tools from Amazon Web Services and a digital capture solution that records all of the bank’s interactions on mobile and web applications. This solution architecture has very much been led by the business rather than by IT. “Collibra is a very important systematic tool for enabling business-led collaboration,” adds Millar.



## Demonstrating Quick Wins

As organizations embark on their journeys towards digital transformation, it is important that they can demonstrate tangible progress along the way. At times, this progress can be shown through operational improvements. For example, Millar notes that business analysts typically spend 80% of their time cleaning data and only 20% analysing it. “If you pivot that around, then there are huge benefits.”

Other wins can be found in innovative new tools and services that would not have been possible without a data-centric approach. Millar gives two examples of such initiatives at DNB.

The first is a newly developed “churn algorithm” that identifies customers at risk of leaving the bank. This new tool has already helped to transform the operations of one of the bank’s teams charged with recovering customers that are leaving, or have left, the bank. The team can now accurately identify customers that are about to leave, not only helping to retain those customers before they leave, but also to sell them more products.

Another new service that has been enabled entirely through better use of data is a report provided to corporate customers showing customer demographics and spending trends relative to industry peers. “We take all of our retail payment data, aggregate it so its GDPR compliant, and provide it as a benchmark report to large corporates,” notes Millar.

## Lessons Learned

As the bank continues its digital transformation journey, Millar notes that a number of lessons have already been learned. First is the importance of people and culture, starting at the very top with the chief executive. Second is the need to stay focused on being business driven and business relevant. Third is the need to promote engagement and collaboration across the enterprise. And last but by no means least, the imperative to “liberate the data” – particularly when much of it remains trapped in silos across the organization.