



WILL YOU BE THE DISRUPTOR OR DISRUPTED IN 2019?

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Your presenter



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Overview

We Have *Always* Done it That Way

- Uttered nearly every day in companies across the country
- The industry and customer base has dramatically changed due to software solutions and technology but we are falling behind
- Simple process changes, communicating and software solutions can improve our organizations
- Automating previously manual tasks can simplify complex transactions
- Why don't we implement change?



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CURRENT STATE



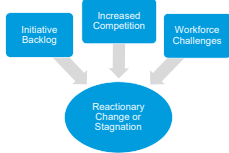
What is important is seldom urgent and what is urgent is seldom important.


“ ”

Dwight D. Eisenhower



Challenges

Continual Challenges	Drivers of Change
	<ul style="list-style-type: none">• Regulation• Technology• Merger / Acquisition• Economy• Financial Performance• Culture




Challenges

	URGENT	NOT URGENT
IMPORTANT	Quadrant I <i>urgent and important</i> DO	Quadrant II <i>not urgent but important</i> PLAN
NOT IMPORTANT	Quadrant III <i>urgent but not important</i> DELEGATE	Quadrant IV <i>not urgent and not important</i> ELIMINATE

Roadblocks of Focus

- E-Mail
- Instant Message
- Messaging
- Task Items/Cross offs
- Cleverly Disguised
- Evolution-We're Wired for Progress


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Why are we stuck in our ways?

- People almost always choose the easiest path
- Change can be scary
- Change introduces risk
- Vision for change is not understood
- Performance is not tied to achieving change


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Talk is Cheap


- The best planning efforts will never drive positive outcomes without commitments and investments in strategies that *change* the business.
- The Digital Banking Report conducts research every year, for the past years, the top strategic initiatives over the last few years:
 - Improving the customer journey
 - Applying data and advanced analytics
 - Digitizing the organization
 - Building better payment solutions
 - Reducing operating costs
- BUT! Progress is elusive!

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Too often, companies focus on a technology instead of the customer's problem.


Tom Grasty – Co-Founder of Stroomie



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What is Innovation?


- Innovation often feels like a big nebulous concept: we're supposed to develop or create something from nothing.
That's "Inventing" not "Innovating"
- Innovation is the transformation or alteration of processes, tasks or technology to increase efficiency and outputs.



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Innovation and Technology alone is not enough

- Competitive advantage: Innovation should provide a unique competitive advantage in the marketplace.
- Business alignment: The differentiating factors of your innovation should be around what your organization does best and its goals.
Do what you know, and what you know, you can do well.
- Customers: Knowing the customers who will benefit from your innovation is vital.
- Execution: Identifying what resources and systems are needed, and what risks are involved are crucial for success.
- Business value: Assessing the value of the innovation and understanding how the idea will bring value into the organization is a critical factor in deciding which idea to pursue.



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Poll: Does your organization innovate?

1. We're too busy
2. We like status quo
3. When it makes sense
4. We innovate too much, people are tired of change

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Technologies that are now mainstream

- Cell phones, tablets, laptops
- The internet
- Texting, social media
- Streaming media, including Spotify, Pandora and Netflix
- Online shopping, Amazon etc.
- Real time computing and microprocessors
- Home automation
- RFID tags
- GPS, Google maps
- Hybrid cars
- iPod

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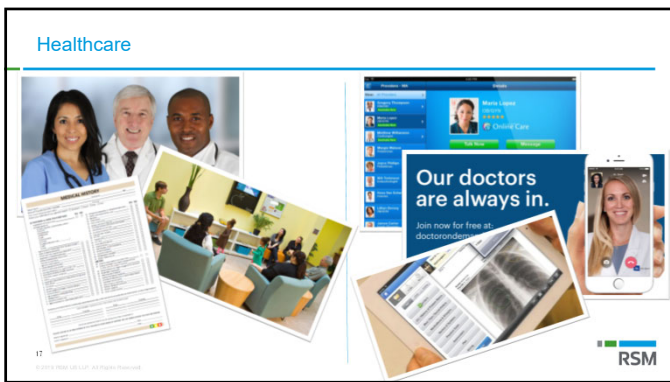
Financial Institutions



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Lumps of coal

- Video
- Apps and analytics
- Conversational platforms
- Event drivers
- Adaptive security
- Marketing automation
- Digital recruitment
- Social selling
- Content marketing
- Value billing systems
- Big Data



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Under Pressure (Is this the real life? Is this just fantasy?)

- Translating insights into breakthrough business concepts
- Identifying promising opportunity areas
- Prioritizing and selecting the most promising opportunities
- Championing and defending fragile ideas through the innovation process
- Building the organizational alignment required for successful execution



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Do we need to change?

- Are you meeting the expectations of your customers?
- How do you better serve our customers?
- Are you keeping up with your competitors?
- What is no one offering that you should be?

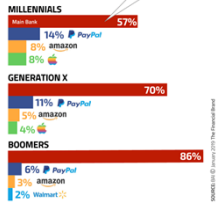
You have the opportunity to shape your organization, what should you do?



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Do we need to change?

Which organization consumers say they trust most for banking



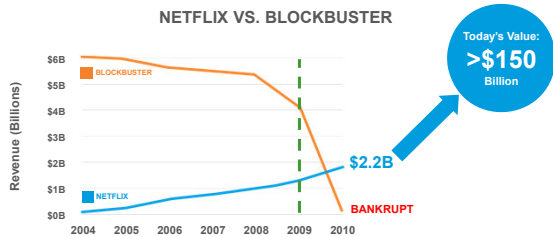
- 1 in 6 Respondents in a recent ABA Survey would switch for a better 'Digital Experience', specifically mobile payments and billpay.
- What do you think of when you think 'Poor Service'?

With the disconnect, community banks are uniquely positioned to respond!



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Why we need to innovate



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Why we need to innovate

Neither RedBox nor Netflix are even on the radar screen in terms of competition.

- Jim Keyes
CEO Blockbuster, Dec 08



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Why we need to innovate

- FinTech will drive the new business model!
- \$11.9B investments in FinTech in 2018, \$67B for IT Spending-Opportunity?
- Community banks spend roughly .22% of Assets on IT while Regional/National spend roughly .54% with up to 1/2 of that spend focused on innovation!
- What are you spending on innovation, disruptive, or emerging tech?

We stand upon the precipice of change. The world fears the inevitable plummet into the abyss. Watch for that moment...and when it comes, do not hesitate to leap.

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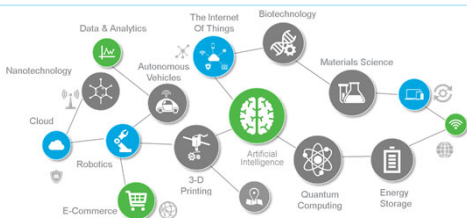


CHANGE?



What changed?

Digital disruption is an effect that changes the fundamental expectations and behaviors in a culture, market, industry or process that is caused by, or expressed through, digital capabilities, channels or assets*



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*Gartner IT Glossary



What does digital disruption look like?

Uber — The world's largest taxi company, owns no vehicles.

Facebook — The world's most popular media owner, creates no content.

Alibaba — The most valuable retailer, has no inventory.

Airbnb — The world's largest accommodation provider, owns no real estate.

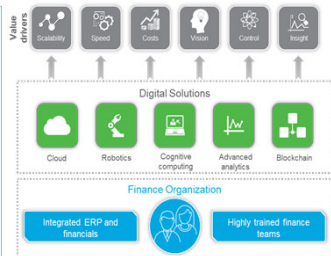
Something interesting is happening.
TOM GOODWIN

UBER
facebook
Alibaba.com
airbnb

RSM

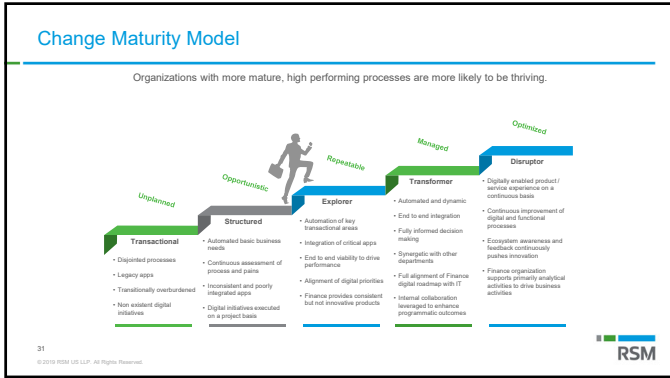
What is it?

Digital transformation is about finding ways to **digitize all aspects of your business** – from eliminating paper, to automating business processes, to leveraging massive data sets to personalize products and services



Do we need to change?

- Are you meeting the expectations of your customers?
- Are you keeping up with your competitors?
- Are you playing "catch-up"?
- How are your teams affected by fear of change?



THE WAY WE
WILL
DO IT?

RSM

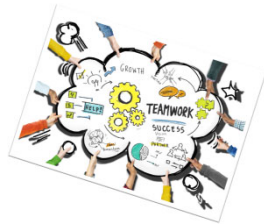
How do we innovate?

- **Step 1:** Who do we want to be?
- **Step 2:** Nominate a champion.
- **Step 3:** What do you want to do?
 - Challenge those that state "rules" to inhibit change; are those rules real or perceived?
- **Step 4:** Buy-in.

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Focus on Collaboration

- Workshops / Round Table
- One on One Interviews
- Process Mapping
- Descriptive Task Surveys
- Time Studies
- 360 View from all Stakeholders
- Validation of findings with sponsor



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Change Management Foundation: Direction

- Why are we doing this change management process?
 - Is it because we might get disrupted?
 - Are we fundamentally not able to compete anymore?
 - Are we financially behind?
 - Can the way we have done it support where we want to go?
- What's the purpose of the change management now?



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Critical Success Factors

- Strong, clear & consistent message of support from Executive Management
- Management and team buy-in and support
- Customize process / timing with the organization's ability to support change
- Early results to demonstrate value
- Availability of skilled resources
- Change management methodology that recognizes dependencies between processes, teams and tools
- An escalation protocol to address disagreement in objectives or design
- Detailed communication




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**QUESTIONS
AND ANSWERS**

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