

The Key Takeaways

A range of disruptive forces are shaping the future of the retail banking sector

Intensifying Competition / Rising Customer Expectations / Technological Innovation /
Evolving Regulation / Geopolitical Instability / Lower Growth Environment

FUTURE SCENARIOS

HYBRID WORKFORCE

Combination of human and machine. Permanent and contingent workforce

DYNAMIC MARKET

Big five, challengers, FinTech and others. New banking models emerge

DIGITISED BANKING

Mobile and online banking become the prime distribution channels

NEW BRANCH FORMATS

Optimised branch networks. Pop-ups, customer experience space, innovation labs

TECHNOLOGY, PEOPLE AND DATA FIRST

Restructuring and investment focused on these three areas

VALUE-LED

Focus on continuous innovation and adding value

LEAN AND EFFICIENT

Cost containment, flexibility and efficiency gains are ongoing strategic objectives

INTER-CONNECTED ECOSYSTEM

Industry players co-create and offer services to each other

To future proof, retail banks must respond

Operational responses

- ✓ Pivot investment and operational models towards technology, customer centricity and data analytics
- ✓ Drive an unstinting focus on cost reduction and efficiency gains, but not at the expense of growth
- ✓ People first strategy, culture and values
- ✓ Proactive management of risk and regulation
- ✓ Foster continuous innovation, co-creation and agility
- ✓ Sell non-core business portfolios and assets to focus on high growth, value add areas
- ✓ Broaden appeal as an employer to a non-banking talent pool
- ✓ Partnerships/JVs and open innovation
- ✓ See disruption as an opportunity, not a threat
- ✓ Maintain operational flexibility in a changing world
- ✓ Optimise distribution

Real estate responses

- ✓ Workplaces that supercharge innovation
- ✓ Review head office functions in terms of cost and regulatory compliance
- ✓ Right-size and reinvent branch networks
- ✓ Incorporate occupational flexibility
- ✓ Streamline portfolios to focus on core locations
- ✓ Rethink the quantum of space required
- ✓ Experiment with coworking and other alternative workplace offerings
- ✓ Align real estate to strategic objectives
- ✓ Talent led real estate decisions
- ✓ Use the workplace to promote brand and values and drive cultural change



**Disruption
is a reality**



**Action is
required**



**Shape your
future, now**

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