



TOMORROW, TODAY 4: THE COMPUTER SAYS YES, AND OPERATIONS IS WHY

VIDEO TRANSCRIPT

Oli Barrett

We've all had 'computer says no' experiences, where interactions with brands don't go as we hoped. But how can businesses do better?

I'm here with Accenture's Damian Pettit and TSB's John Lyons to find out how a focus on Operations is the key to delivering exceptional customer service. Welcome back to Tomorrow, Today.

Damian, John, thank you for joining us.

John Lyons

Pleasure.

Damian Pettit

Thank you.

Oli Barrett

Damian, let's start with you. You both work in banking, so what I really want to know is what is Operations and why are we talking about it?

Damian Pettit

Operations is the engine room of the bank, if you like. Back in the day, physical documents would come into banks, be they forms, be they applications et cetera, go into an operations area where they will be turned into digital by somebody keying the information on the paper into the machine. Nowadays with the digital revolution, of course, customers are capturing all of that upfront. So, Operations now are doing two things.

One is dealing with the exceptions where things fall out, haven't been captured properly, et cetera. But moreover, they're providing support to customers where customers need support at the times that matter to them.

Oli Barrett

Right so John, how does that sound as a definition?

John Lyons

Yeah, I completely agree. Long gone are the days when I used to run big operations functions with hundreds of people in them, processing bits of paper. TSB now, 93% of everything our customers do is digitally. We would never have thought that that's been massively accelerated through the pandemic. And it becomes really obvious to our customers if those things don't work well.

Oli Barrett

Yeah.

John Lyons

You used to be able to hide behind the vagaries of time as things got handed off in the analogue and manual world. You don't get that anymore. So we've really got to put the effort in at the front end of the design, use all that intelligence and insight that sits in the operational world to ensure it works right from the beginning. Whether it's opening an account, signing up a new customer, lending them some money, taking a mortgage out.



All of those things now as I say, 93% all online.

Oli Barrett

So when I hear someone say 93%, we're getting a clear sense of direction of travel. What I want to know as we edge to 100 is what are the humans going to do and are they a help or a hindrance in the mix?

John Lyons

Well listen, my view is I think it's an opportunity for people to have much more enriched and fulfilling jobs rather than keying pieces of paper into screens, which quite frankly, isn't the most motivating role on the planet. So I think what you'll see is a move towards more people needed, facing customers and helping customers build money confidence. That's a phrase we use a lot at TSB. And also people at the back end of the operational world that are monitoring and alerting and checking everything's working properly.

Oli Barrett

And Damian, you work across many interesting clients. Anything you'd add to that human dimension?

Damian Pettit

I think there's one area which is, as John described, being there for customers when they really do need help and support, where maybe it's not something that they're used to dealing with on a day-to-day basis. And I'll take bereavements as an example of that. It's not something, fortunately, you have to go through very often and it's really important that then operations can provide that support and empathy to the customer. The other area of operations and where I think people in operations have the ability to grow is that operations people understand where things go wrong.

They understand where the fallout is. So that real ability to take that knowledge and work with the tech guys to properly feedback into the customer journey design, make sure that the technology is thinking not just happy path, but is considering all the eventualities and really pushing that agenda forward.

Oli Barrett

Now Damian briefly, you've used the phrase happy path there. Just remind us what that means.

Damian Pettit

So happy path is how you expect a customer to behave as opposed to how they actually do end up behaving.

Oli Barrett

Okay so let's sort of blow it way beyond banking, then. Which other sectors can we learn from? Particularly in really sharpening up the operations. I mean Damian, get us started. But John, I want to know who you've got your eyes on as well, other than your immediate competitors. Damian.

Damian Pettit

I think one of the great things that, whether it's Domino's Pizza or any delivery company do, is sort of like tell you where you are in the process. When dealing with banks often, you're not quite sure where you are if I'm honest. You've put your application in, you're waiting for something to be processed. And where am I? What more validation needs to happen before I can buy my house? Or whatever.

Oli Barrett

So we've got some sort of pizza delivery at one end. But I bet you're drawing inspiration from other places.

John Lyons

Everywhere, everywhere. Whether you're jumping in a cab, ordering some food, whether you're walking down your high street buying a loaf of bread. Where you see things operating really well, where there's a complete obsession with getting that customer experience right. That's where customer excellence is evident because behind the scenes, everything is working perfectly. And when things go wrong, they deal with it quickly. So it's in every angle of life.



Oli Barrett

Because whether you like it or not, these other retailers are setting the bar for your customers about what they expect.

John Lyons

Exactly right. But I want to dispel a myth, which is that it's either big banks or it's the new banks. Actually, there is opportunities here for partnership and the tradition of banks, companies, whether they're in financial services or otherwise. Building these things all on their own needs to be put aside, because now there is a huge opportunity for partnership and that's where the real game changer is.

Oli Barrett

Yeah you've got quite a refreshing take on this, I think at TSB, with some sort of marketplace that helps people team up. Can you talk a little bit about how you foster collaboration because partners matter a lot to you.

John Lyons

Of course. Listen, every organisation has a capacity to build things for its customers, but equally, there are going to be providers out there that do things better than you can do them yourself. So what we've created is an open architecture and a marketplace which enables us to assemble the services that we think our customers need to build money confidence. Not by us developing and building themselves but by us partnering and introducing and embedding them within the experience at TSB.

Oli Barrett

Yeah now I must say Damian, John mentions the neobanks known to some as challenges. Do challengers still have challenges?

Damian Pettit

Absolutely, I think they've not got the challenge of all of the legacy infrastructure et cetera, but they haven't got maybe the experience in dealing with regulators, the battle scars of having been asked by regulators how do you prove this? How do you prove this? Et cetera. And I think that's where, again, we work with and we support banks, challenger banks, to get them through that process.

Oli Barrett

So what I'm really keen to do John, is really refocus us on why this matters to the company, to the customer. It's less waiting, it's less stress, it's less faff. What else? What is this when it's at best?

John Lyons

Well, I think this goes far beyond just Operations and Technology working better together. That's a very simple interpretation of what the problem is. I think the answer is you have to start thinking and working and having accountability front to back in an organisation.

From the very point the customer starts a process or taking up a new service, right the way through to the delivery of that. And aligning accountability and ownership, decision making, investment plans front to back, rather than having to navigate across false internal boundaries. That's a really important method of ensuring that the right effort and attention is on the things that matter to the customer.

Oli Barrett

Right so when you describe that John, I've got to be honest, it does make me wonder whether the whole idea of an operations team is a bit outdated. Can I say that?

John Lyons

Well, I think the digital revolution is dematerialising Operations. Fact. There is still a role for Operations. Supporting customers in serving themselves and managing the technical infrastructure that supports that.

Oli Barrett

So Damian, you're in the business of helping clients navigate through these changes. Why don't we bring it to a close with something quite practical that they should be doing to trigger some of these new combinations?

Damian Pettit

It's not seeing Operations as a separate department. Seeing Operations as having the



people who've almost got the solutions because they're dealing with the exceptions. Using their knowledge and experience to feed into the front end, into the digital revolution, working with technology, working with the front office and customer journeys.

Oli Barrett

John, a final thought.

John Lyons

Operations is one of the richest sources of insight for any company and it gets ignored at its peril. So I think operations people have got a massive role to get some sharp elbows and get into the design teams and the product teams and tell them what's going wrong and fixing it. So I think they've got a role there. Listen to what the data is telling you because it has the answers and we all too often ignore the value of data and that's super important in the current world.

Oli Barrett

Really refreshing take on what is a very undiscussed subject. John, Damian, thank you for joining us.

Damian Pettit

Thank you.

John Lyons

Pleasure.