



“Confidence has been badly shaken and needs to be re-built. That’s a big job and it’s not going to be done in a year or two. It’s a job that will need to take place over many years.”

These remarks by Treasury Committee Chairman, Andrew Tyrie, signalled a fresh chapter in the ongoing drive to rehabilitate the financial sector. Commenting that *“the spirit is willing, especially at the top, but sometimes the flesh is weak”* Mr Tyrie said that *“despite a raft of new rules designed to rein in bad practice a culture change at banks has a long way to go.”* The FCA too has come in for some criticism with Mr Tyrie criticising their *“slow and apparently obstructive behaviour”* on a number of issues.

Regaining trust is one of the hardest tasks to master in any walk of life. Even when the classic cycle of being found out, apologising, promising never to stray again, ends in being forgiven there is always a residual trust issue. *“They say they’ve changed but have they?”* is a potentially destructive force which simmers on beneath apparently calmer waters; waiting to erupt at the slightest hint of all not being well and ruin a relationship. The only chance of defeating the trust monster is not only to say that you’ve changed, but also to take steps to make such a fundamental change that your intention cannot be doubted. That the sector has taken some steps to change is undoubted, but the public in general just aren’t seeing it. When Mr Tyrie calls for the regulators to be more proactive, for the financial sector to *“get to a*

Innovation and Redesigning the FS Experience

By Cris Beswick

fundamentally much better place where people can rely on high quality advice” he is not only drawing on his own expertise but also on the perception which he sees reflected in the wider world. In a strange way, rather than drawing ever closer to a consensus, the financial sector and those whom it serves are in fact moving ever further apart.

The recent front-page exposure in the Daily Mail is a prime example of skeletons still being in the closet. ‘Shaming of our bully banks’ draws your eye, with the sub-title, ‘We DID intimidate customers with fake debt collection letters confess bosses’. With RBS chief Ross McEwan saying the bogus letters ‘reflected what had become a common industry practice in a sector that had come to put its own interests above those of its customers’. The root cause of this is not in the fact that mis-selling stories are still being revealed, nor in the fact that every tale of financial mis-management exponentially raises the mis-trust levels; rather it is in one simple thing, namely that the financial services sector has not stepped up to embrace the seismic changes which are required. Take this comment to the BBC from British Bankers’ Association spokesman Robert Watts for example. Acknowledging past faults, Mr Watts said; *“We’ve got new regulators who are tougher and stronger. But it takes time for customers to recognise that there has been change.”*

Being blunt, it shouldn’t be up to customers to recognise change. Because change should be so

fundamental, so customer inclusive, that there simply is no doubt. The world we now operate in, innovation should be obvious, inclusive and therefore unmissable!

Truly innovating change means making customers part of your innovation process, involving them in solving the problems and in co-creating products, solutions and experiences.

The message is simple. Don’t fiddle about making internal changes and waiting for customers to notice. Creating a strong, lasting and profitable future for the financial services sector requires an end to the old ways of ‘selling stuff’ to customers. Customer collaborative and co-created innovation is now the name of the game, effectively turning organisations from sellers into design houses, providing products which have been created in response to customer need and customer input. After all, what better way to demonstrate not just to customers but also to the regulators that you ‘care about customers’? Shouldn’t co-creating new and ‘relevant’ solutions with the customer be a fundamental part of a great ‘treating them fairly’ approach?

Creating the conditions for fundamental change requires a shift from traditional leadership towards a more future-oriented and entrepreneurial agenda and that means a change in the mind-set and behaviour of senior teams and the financial services sector as a whole. Senior team ownership and accountability for innovation is critical in order to create the right

support structure for customer collaborative innovation to thrive. That includes communicating why innovation is critical and building a cohesive, aligned and organisation-wide approach to making it part of 'how' you do things.

The financial services sector is one of the key drivers of the UK economy. For decades it led the way in espousing the values of probity and reliability. Now it has the chance to lead the economy again, to be at the forefront of a new business model, one in which innovative solutions are co-created with customers for the benefit of all.

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About the Author

As one of the UKs foremost thinkers on strategic Innovation, Cris is also an author and keynote speaker. He specialises in advising CEOs and senior teams on the strategy, leadership and culture required to drive innovation and build organisation-wide capability; helping enhance business performance, drive growth and more importantly, change the game through consultancy & strategic advice, workshops & executive learning, keynote speaking.

After starting his career as a product and industrial designer, Cris spent over a decade as a successful entrepreneur & CEO building a group of companies including a multi award-winning design consultancy.

As well as contributing to articles for The Financial Times, The Sunday Telegraph and The Independent (to name but a few) he is also the author of 'The Road to Innovation' a back-to-basics guide to building a culture of innovation.

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