

# Digital Transformation

March 2020

Matt Thompson  
Chief Digital Officer  
First Financial Bank

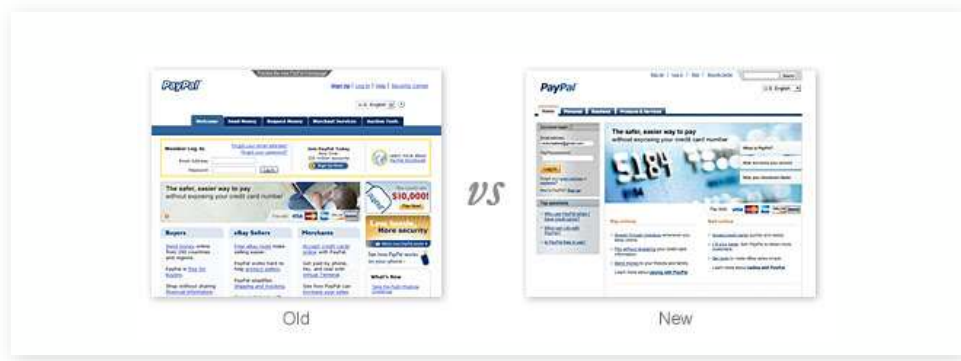
# Internet 1.0

90's--2005



# Internet 2.0

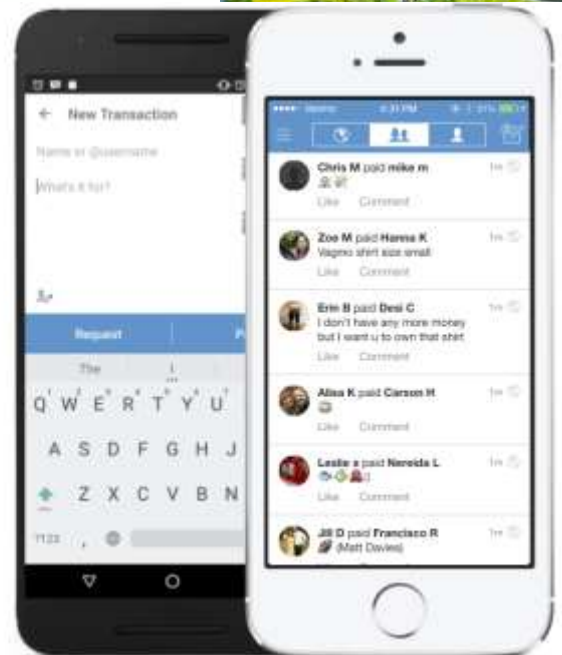
~2007



Source: webdesignerdepot.com, the apple app store, cnbcfm.com

# Internet 3.0

In Early Stages Currently



Sources: [explore.garmin.com](http://explore.garmin.com), [store.google.com](http://store.google.com), [venmo.com](http://venmo.com), [simple.com](http://simple.com), [Thefinancialbrand.com](http://Thefinancialbrand.com)

# The Technology Paradigm Has Shifted

**\$11.5 Billion**

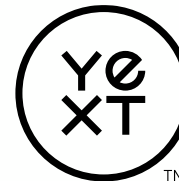
Annual Tech spend by Chase

**20% of Expenses**

In Tech and Digital

**1/3 of All Personal Loans**

Originated by Fintech Lenders in the US



Source(s):

<https://www.ciodive.com/news/jpmorgan-chase-splits-tech-spend-between-maintenance-innovation/553236/> (April 23, 2019)

"The State of the Financial Industry", Tom Michaud, 2019

"The Race for Relevance and Scale," Boston Consulting Group, October 2019

# Platform Thinking

Uber



We ignite opportunity by setting the world in motion



Image Source(s): [uber.com](http://uber.com), [youtube.com](http://youtube.com), [schwab.com](http://schwab.com)

YouTube



Our mission is to give everyone a voice and show them the world



charles  
SCHWAB



To empower individual investors to take control of their financial lives...



# Innovator: *Disney*

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Image(s) Source: [disneyworld.disney.go.com](http://disneyworld.disney.go.com)

# Innovator:

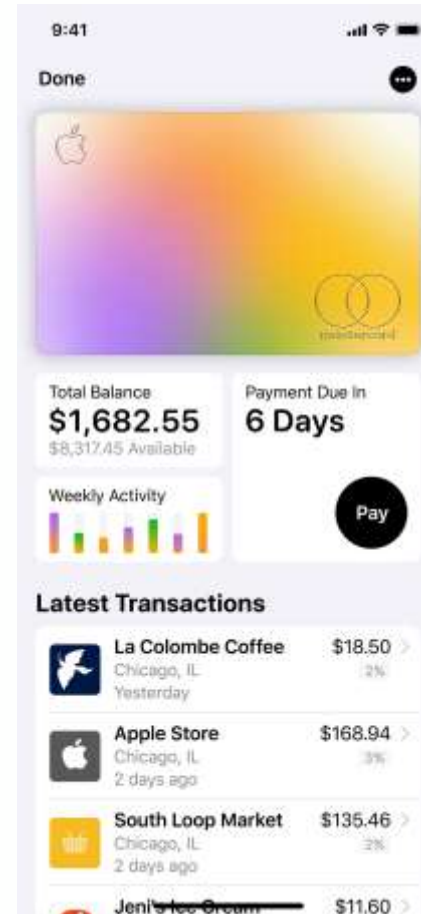
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Image(s) Source: Carvana.com

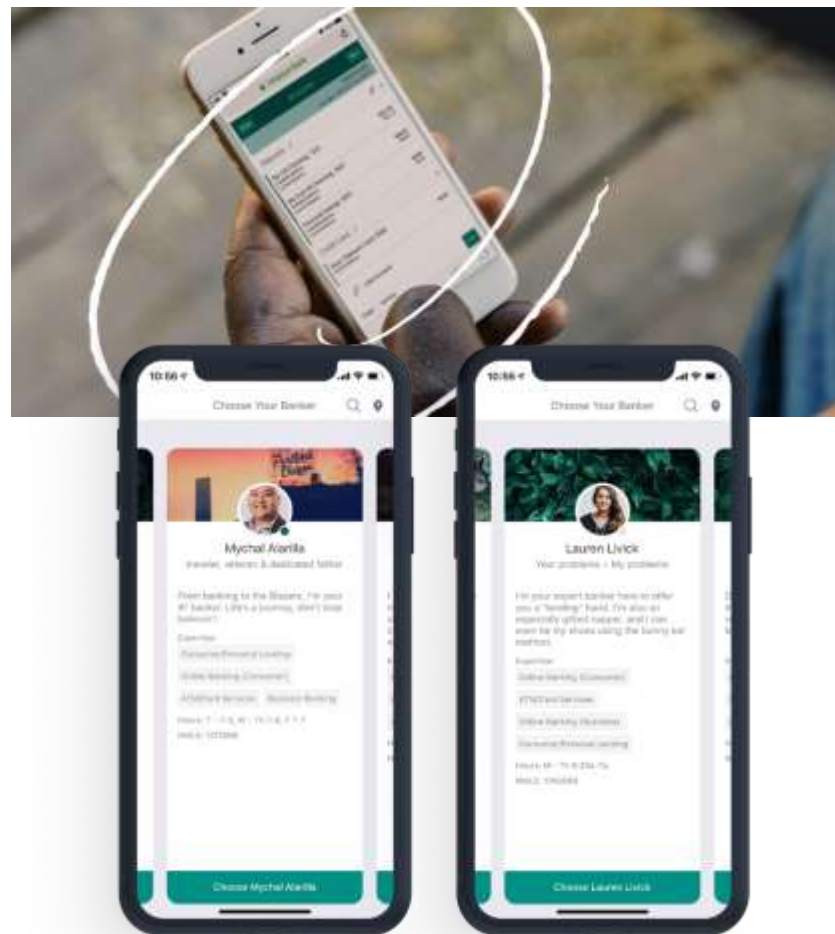


# Innovator:



Image(s) Source: [apple.com/apple-card](https://apple.com/apple-card)

# Innovator: UMPQUA BANK



Image(s) Source: [umpquabank.com](http://umpquabank.com)

## Bank Transformation Vision

“ To enable a **simple, consistent & seamless** customer experience across **digital & physical** channels & to make it **easier for associates** to provide best-in-class customer service.



# Bank Transformation Model



## Operating Excellence (OX)

- Improve operating speed
- Improve operating quality
- Aligned to CS and DX



## Client Segmentation (CS)

- Get the Basics Right
- Personalized Segmentation Model
- Informs OX and DX



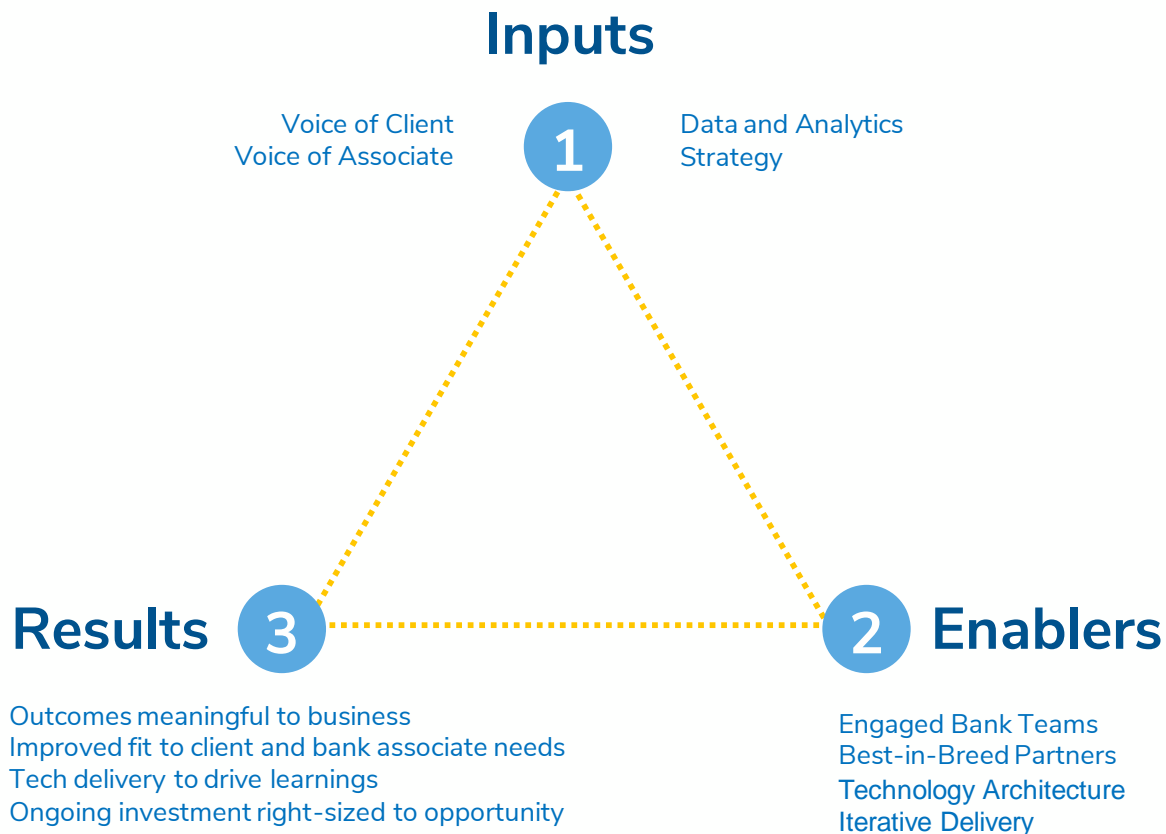
## Digital Transformation (DX)

- Responsive, intuitive design
- Deepen insights to build relationships
- Aligned to CS and OX

QUALITY

# Delivering Results Through Digital Products

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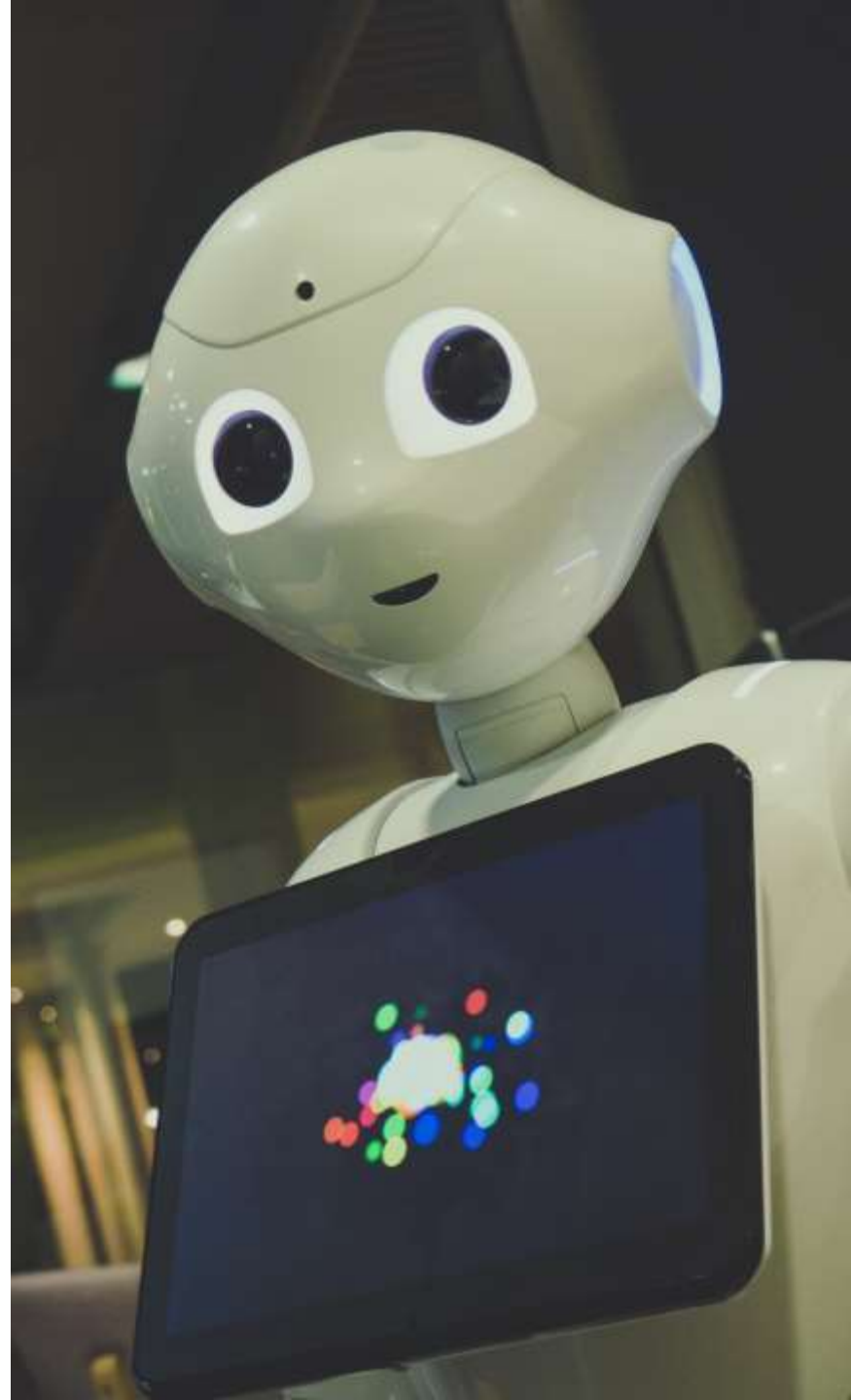
# Digital Product Definition

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## What is a Digital Product?

- Digital Product defines a set of features or capabilities used by clients and/or associates that create value for First Financial Bank's lines of business.
- A Digital Product includes full lifecycle management:
  - initial buildout/launch
  - enhancements and upgrades
  - maintenance and problem support
  - performance
- Digital Products typically are composed of multiple features, which will create focus at more granular levels within each Digital Product Roadmap.

Image Source: [unsplash.com](https://unsplash.com)



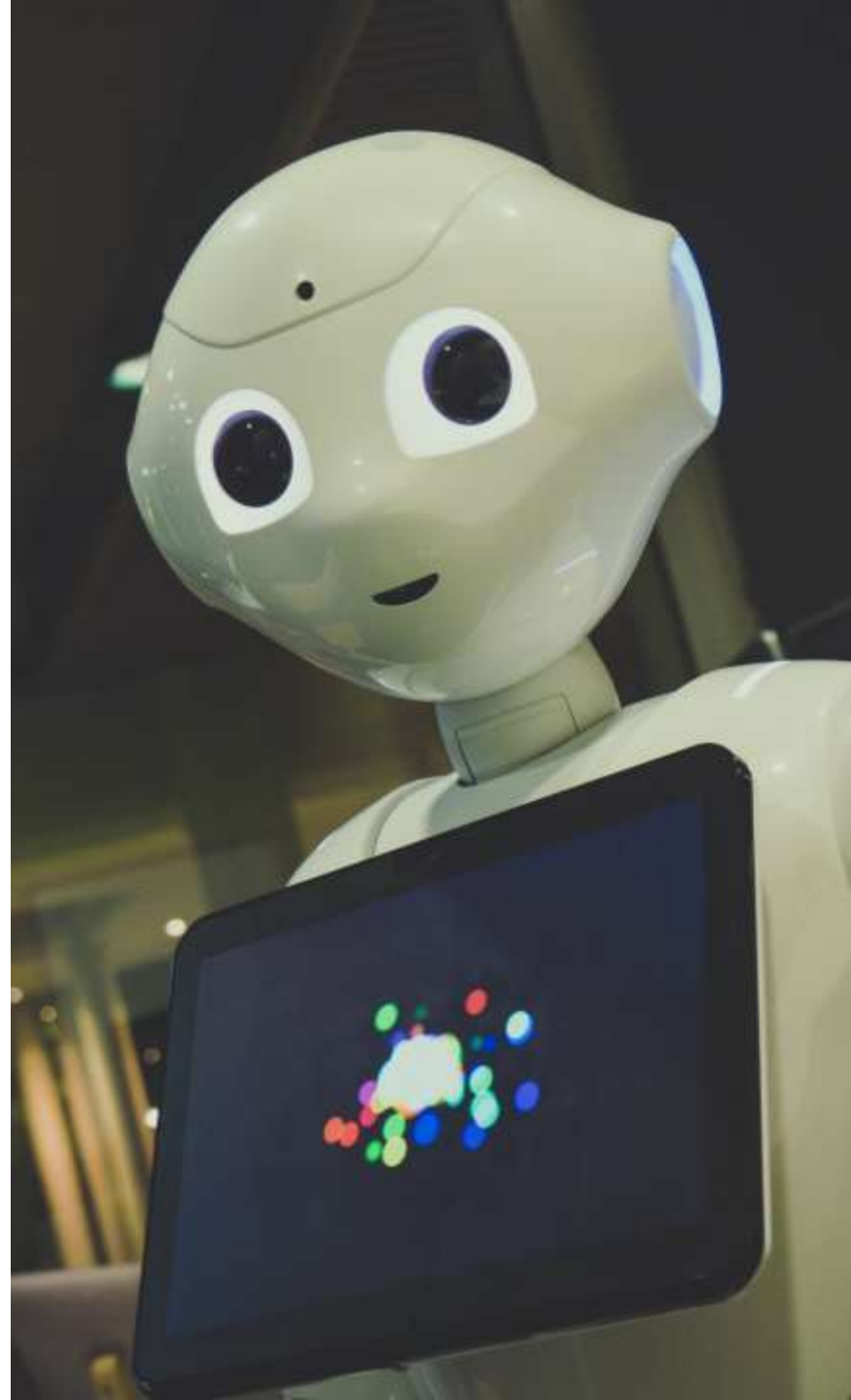
# Digital Product Approach

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## Required Components

- Vision
- Measurements, metrics, and KPIs that tie to LOB / Stakeholders
- A Digital Product Manager plus team of engaged advisors
- Groomed backlog of themes, epics, and user stories
- A published, socialized, up-to-date roadmap (0-6 months, 6-12 months, 12-24 months, 24-36 months)
- Capacity to implement new features, address minor changes and maintenance needs, configure and administer, and test changes

Image Source: [unsplash.com](https://unsplash.com)



# Digital Organization

## Chief Digital Officer

| Digital Product Management   | Digital Partnerships  | Digital Analytics   | User Experience  | Digital Marketing  |
|--|---|---|--|--|
| <ul style="list-style-type: none"><li>• Vision and Business Outcomes</li><li>• Roadmap (6 / 12 / 24 / 36 month)</li><li>• Leads Delivery &amp; Evolution</li></ul> | <ul style="list-style-type: none"><li>• Digital Partnership Models</li><li>• Onboarding and Enablement</li><li>• Partner Engagement</li></ul> | <ul style="list-style-type: none"><li>• Digital Engagement Tracking</li><li>• Reporting Digital Activity</li><li>• Digital Analytics Enablement</li></ul> | <ul style="list-style-type: none"><li>• Digital Experience Architecture</li><li>• Usability Testing</li><li>• User Research and Concepting</li></ul> | <ul style="list-style-type: none"><li>• Digital Channel Activation</li><li>• Digital Engagement</li><li>• Integrating Digital Across Marketing Touchpoints</li></ul> |



# Compelling Vision

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# Data-Driven Decision Making

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# Digital Roadmaps

|                     |                     |                            |                                 |   |                       |                       |
|---------------------|---------------------|----------------------------|---------------------------------|---|-----------------------|-----------------------|
| Q3 2019<br>COMPLETE | Q4 2019<br>COMPLETE | Q1 2020<br>HIGH CONFIDENCE | Q2-Q3 2020<br>MEDIUM CONFIDENCE | Q4 2020-Q1 2021<br>MEDIUM-LOW<br>CONFIDENCE | 2021<br>CHANGE LIKELY | 2022<br>CHANGE LIKELY |
|---------------------|---------------------|----------------------------|---------------------------------|---|-----------------------|-----------------------|

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# Groomed Prioritized Backlog

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# Engaging the Entire Organization

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# Defining Meaningful Outcomes

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# IBM's View – The Opportunity for Banks

## What you should do?

- Prepare for digital invaders
- Create a cloud & cognitive ecosystem roadmap: Transform, migrate and/or retire legacy technical debt to secure cloud-based platforms
- Be first, be best, or be nowhere ...



### "Think" like a retailer



- Continuous innovation
- Individual client-centric

### "Act" as a manufacturer



- Brutally efficient operations
- Deep understanding of profit

### "Operate" as one bank



- Synced culture
- Intelligent market expansion

### "Embed" risk management



- Highly efficient use of capital
- Zero latency risk and pricing

**Thank You**

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## Early Signals

“ fsdhjsdfajhksdfjk



## Early Signals

“**dfsjhasdfjhkadfjshk**”

Data Source: First Financial Data (Sep 2019) and Q2 Data (Sep 2019)

Image Source: [unsplash.com](https://unsplash.com)

## Early Signals: Opportunities

“ fsdjka fsdjkl sdafjskl

