

# 5 Proven Tips for Bankers

A collection of some of the best tips for innovating an existing bank or starting a completely new banking proposition.





# Preface

Creating a new bank is an exciting but also challenging affair. Especially in an ecosystem in which digitization and innovative technologies, paired with change in customer expectations are creating disruption in the banking sector. Whether the disruption comes in the form of challenger banks or new (digital) propositions for existing banks. The consequences of new digital advancement are upon us. Virtual Affairs has been fortunate to have been involved in a series of corporate banking spin offs and fintech start-ups.

We have years of experience accelerating this digital innovation for both challenger banks and established international banks. From our vast experience, we have collected some of the best tips for innovating an existing proposition or starting a completely new banking proposition or bank.





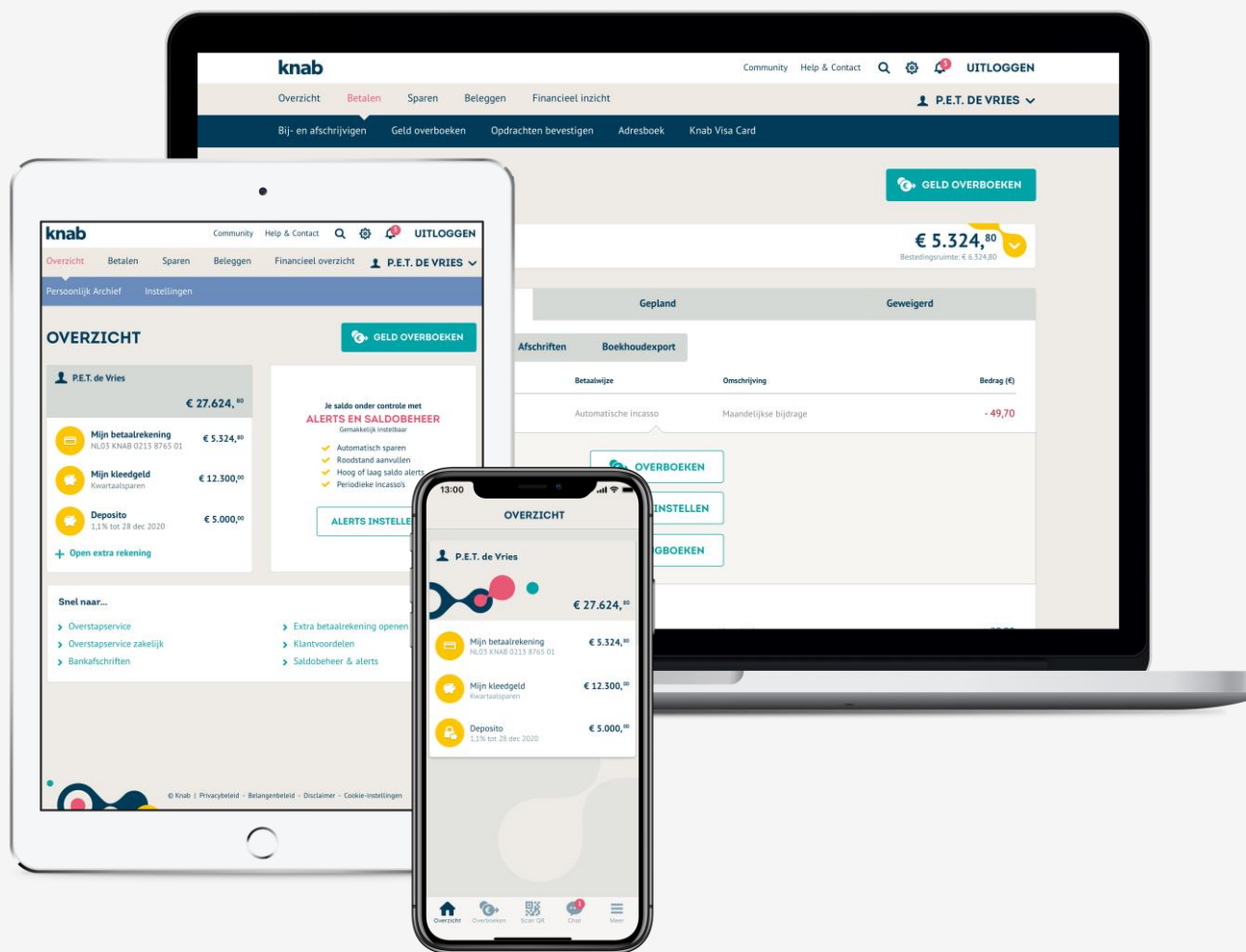


# 1. Customer First

Have a clear vision that distinguishes you from the competition. It may be obvious, but it remains the most important starting point: when designing a new proposition or project in the banking world, it's most important to have clear vision, a vision that distinguishes your bank from the competition. The distinction identifies a preferred audience. Success lies in keeping that audience and its needs in mind at all times. Your company's success definition shouldn't strictly focus on quantitative KPI's. The secret lies in the qualitative KPI's produced by your target audience. It's about getting engaged in the clients thought process and position your company or service accordingly, keeping the client's interest at heart.

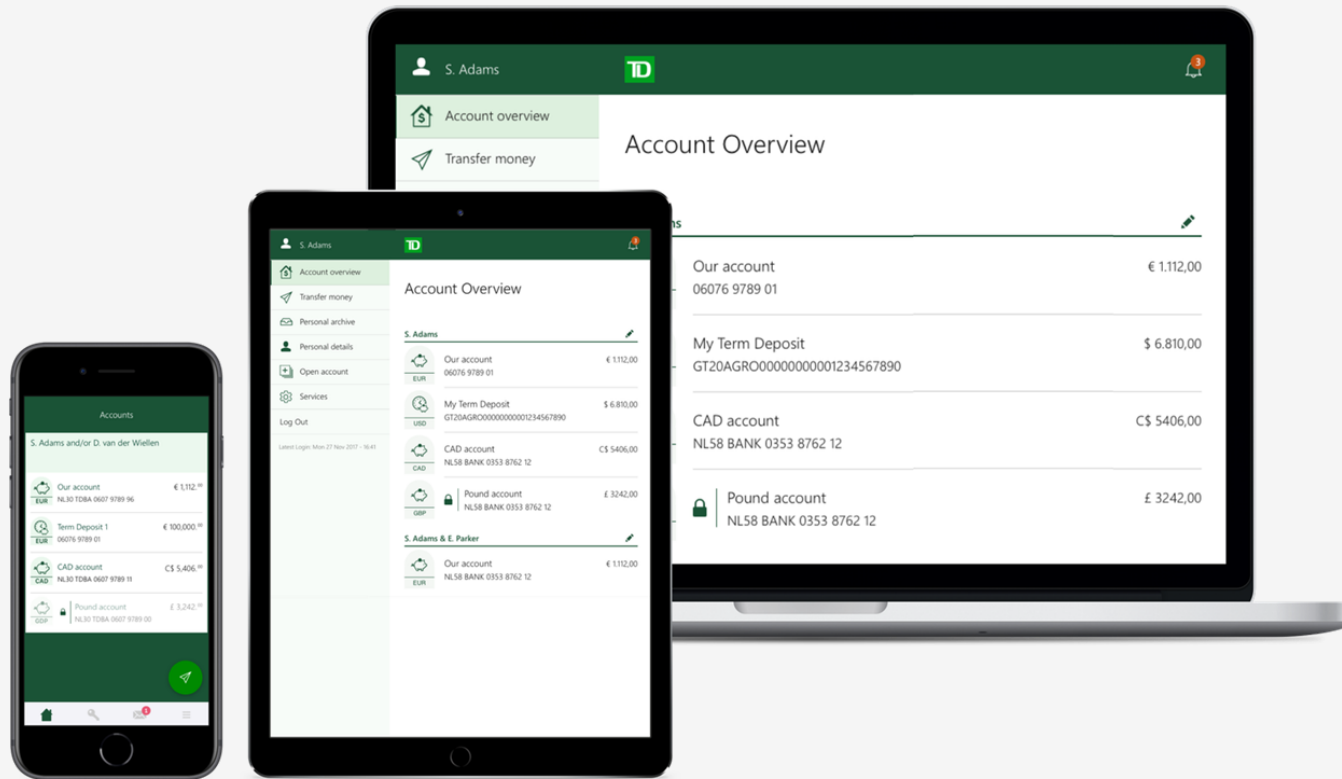
Our client **Knab** had a vision to start a challenger bank where the client comes first, to achieve the highest possible customer satisfaction. With this in mind, it became much easier to define the goals and work progressively towards an MVP with a clear focus in mind. Putting the customer first and having a strong customer focus has proven to be valuable strategy.





The fully digital client interaction of this online bank was built on a BankingRight foundation.

**knab.**



For our client **Toronto-Dominion Bank (TD)** we performed extensive customer testing. We tested pieces of the online proposition with the customers to ensure it connected with the intended audience. We learned what features did and did not add value. This ensured a more effective engagement but also saved TD development effort for non-value features.

A fully mobile and web savings bank, with customer portal for the Dutch market.





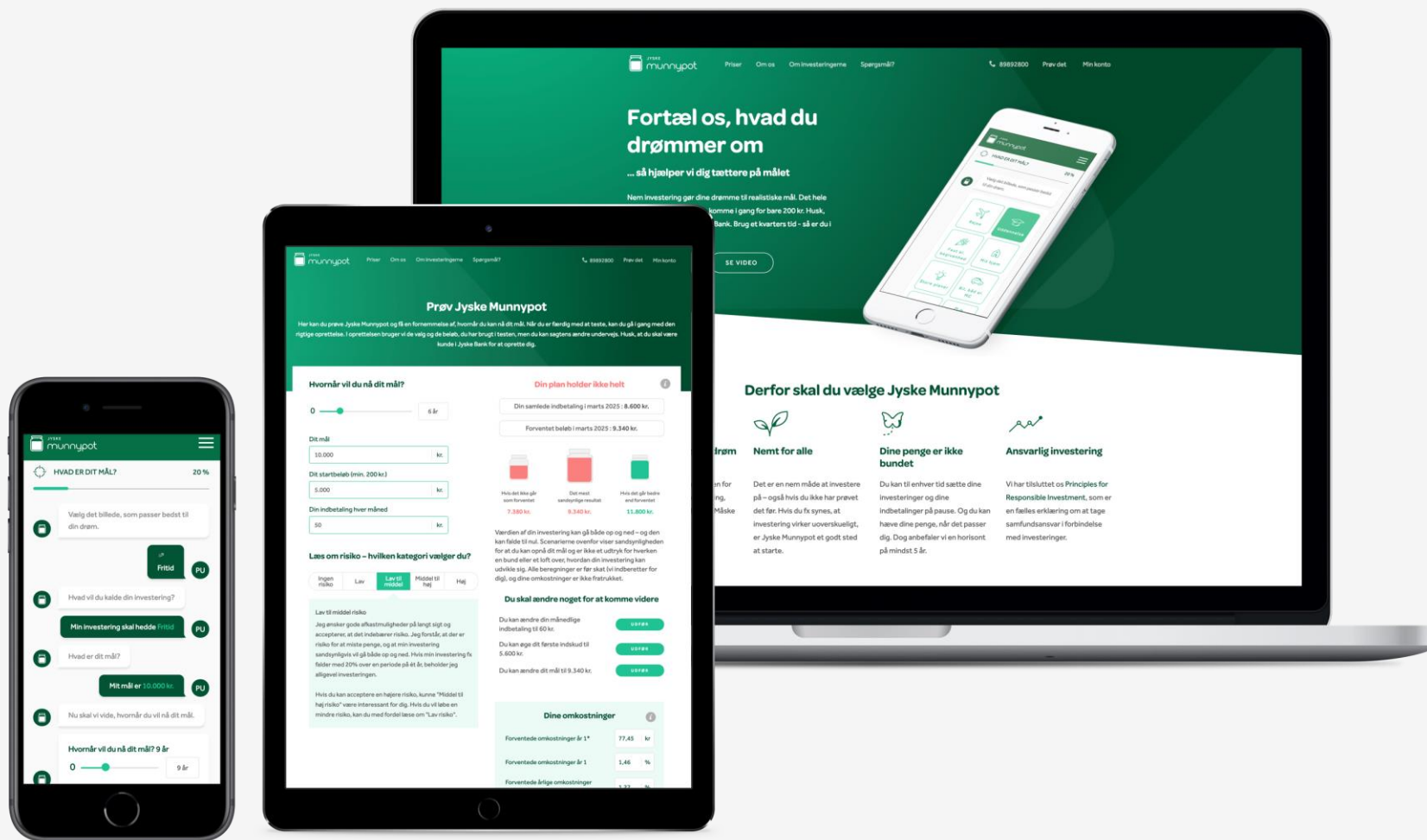
## 2. Openness as Core Value

In this day and age challenger banks should focus on modern technology. However, this doesn't mean that you have to create that technology from scratch. Our advice to challengers is to collaborate with technology partners that share your vision in banking and innovation. This will allow you to adopt an agile way of working. Delivering highly personalized, tailored banking service demands a highly agile infrastructure. Having a flexible, open and modular architecture is key to delivering personalized services and a consistent user experience.

If you want to take it one step further, a fintech partnership is something to consider. Partnering with fintech companies and offering a new proposition using api-based integrations are much cheaper and faster when it comes to launching products and acquiring customers. It could be the way to turn the system requirements set by PSD2 compliance into beneficial endeavor for both banks and consumers.

As a success story the Danish bank **Jyske Bank** collaborated with the UK based fintech startup **Munnypot**. Together they incorporated the white label solution for investments in the Jyske infrastructure. By embracing third party technology, Jyske Bank managed to create a new proposition in a short period.





A complete new initiative and branding for an established bank.

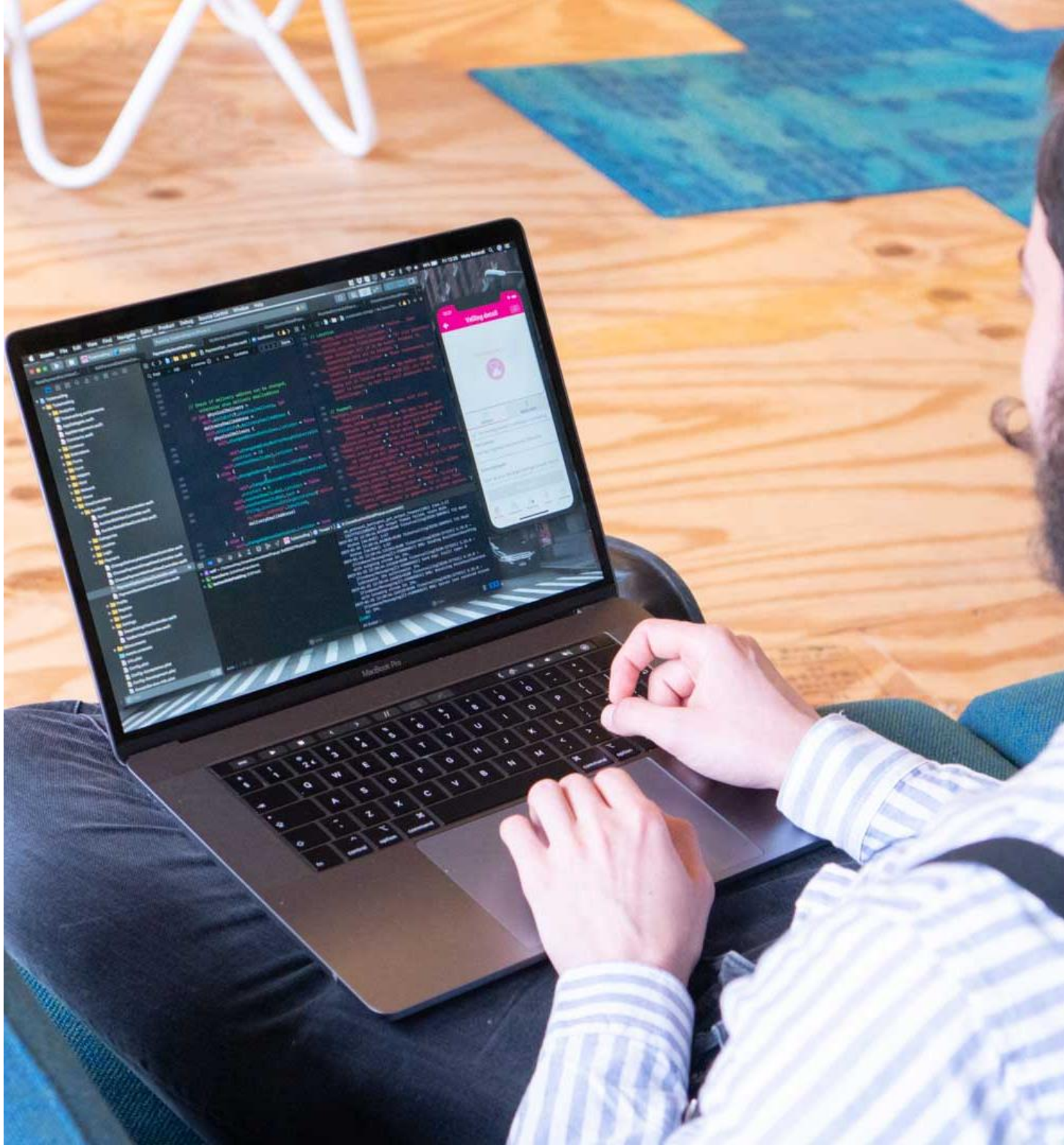
 JYSKE BANK



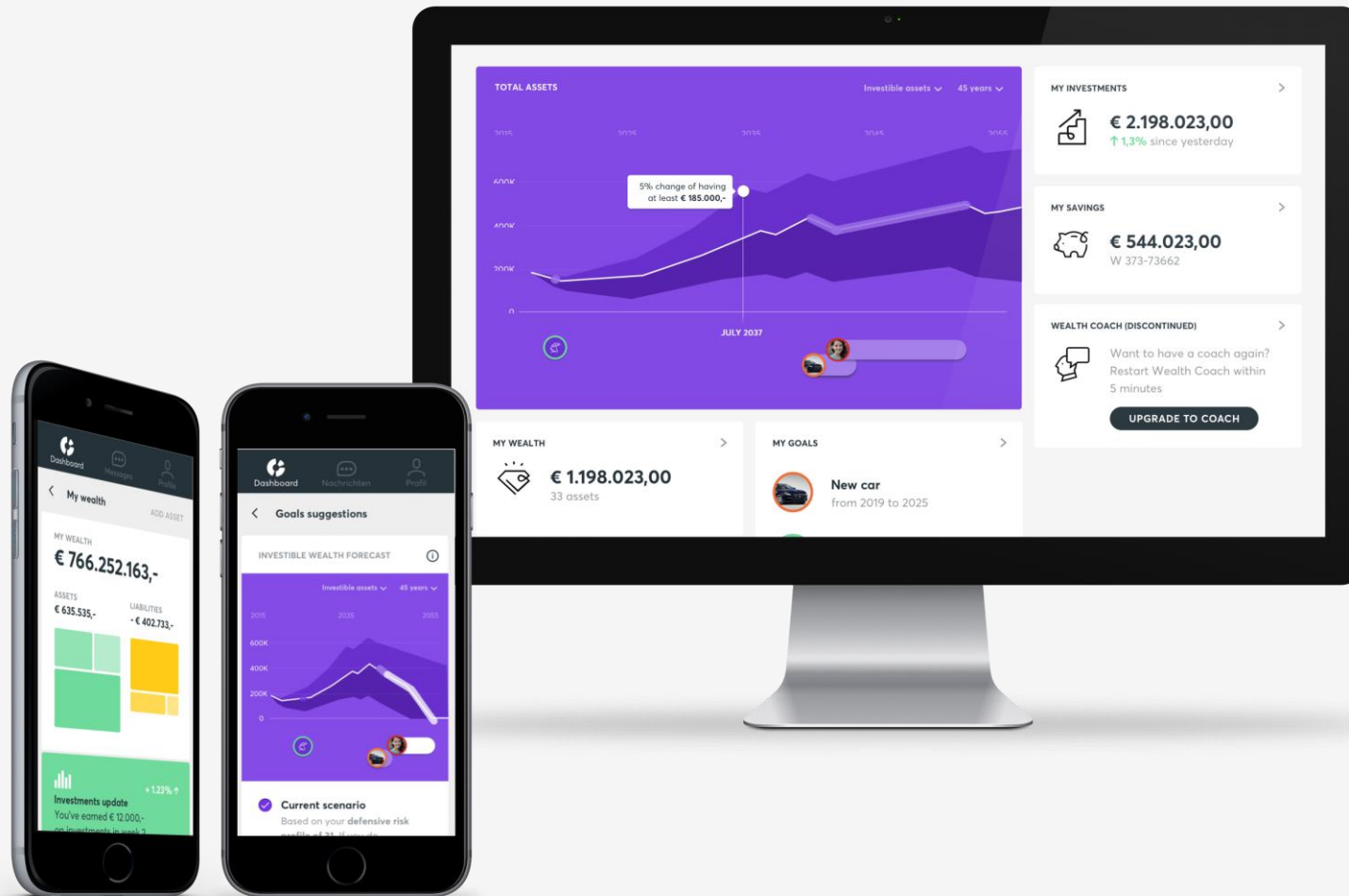
## 3. Modern Technology

Challenger banks have the technological advantage when competing with big banks that have to deal with maintaining giant legacy systems. That makes it more difficult for big banks to innovate. If you want to innovate quickly, embrace new technologies as a fintech disruptor. If you are a legacy bank, consider a challenger label to maneuver quickly without the delaying considerations that come with a legacy architecture. By creating a banking ecosystem – an interconnected set of services of modern technology in a single integrated experience – you can improve the quality of service for your clients.

For **Prosperity** – the corporate startup by ABN AMRO – we aligned many partners and their technology. A seamless integration combined with a strong platform resulted in a challenger investment bank like no other. Combining in-person communication and digital interaction in one customer journey that respects the Prosperity identity.

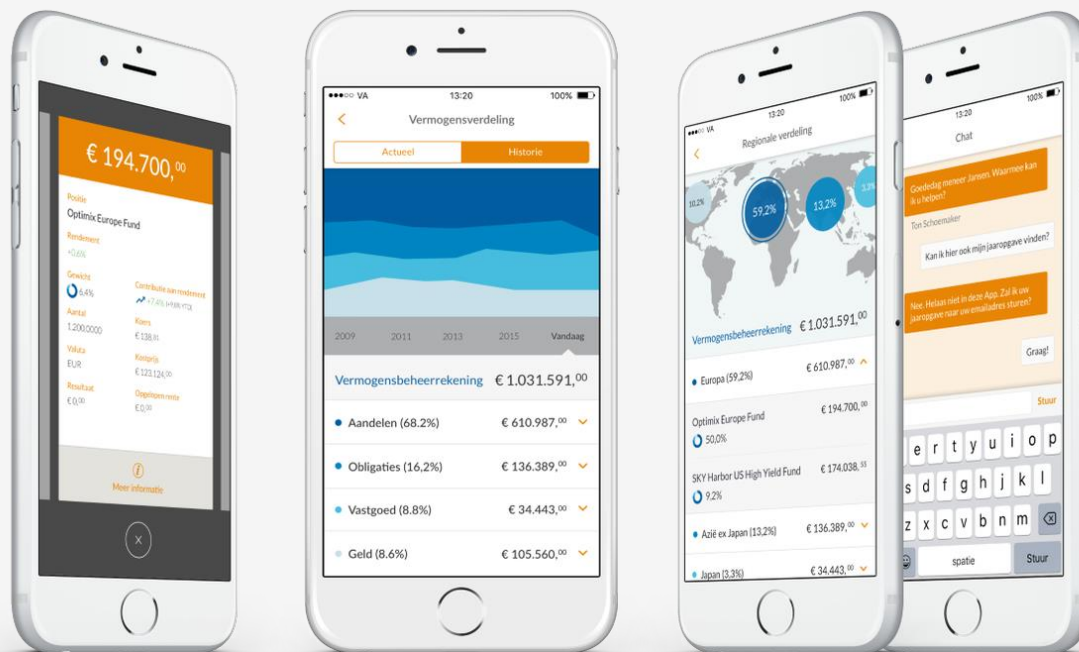






Challenger investor bank with a customer journey that includes digital and in-person communication

Prosperity an initiative of  
ABN-AMRO



For **Optimix** – the fully independent subsidiary by Handelsbanken - an iOS and Android native app was delivered. The solution provided is based on the **BankingRight** product, combined with partners and their latest technology to decrease the time-to-market.

An Android and iOS app for clients to view their investment performance and portfolio.

*Optimix*  
VERMOGENSBEHEER  
Onderdeel van Handelsbanken



# 4. Keep Your Proposition Small

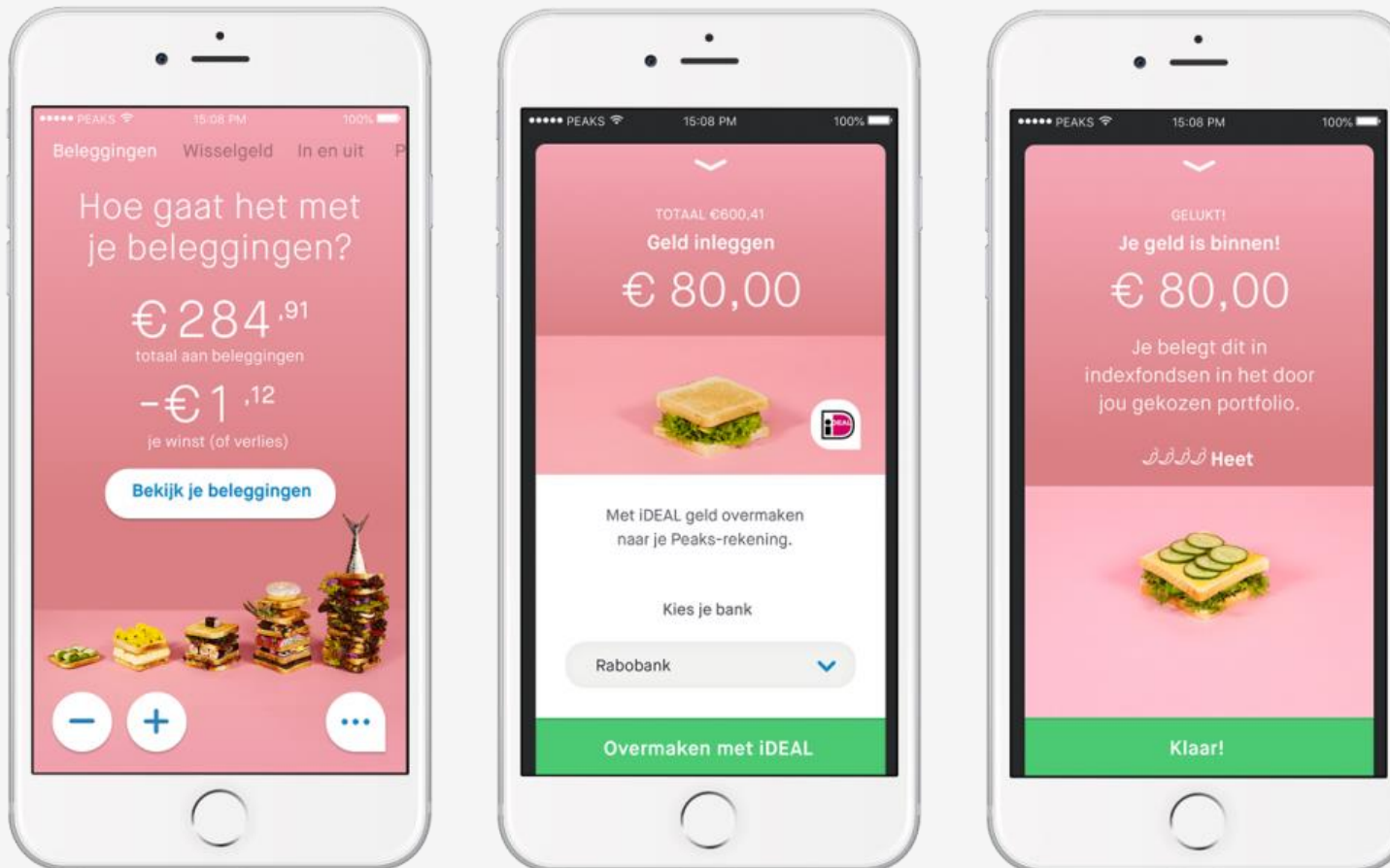
Big banks have grown to deliver as many possible products to as many customers possible. Their interaction involves offering checking and saving accounts, merchants accounts, personal and business loans and so on.

But being everything to all customers is difficult, if not impossible, and startups challenging banks and other established financial institutions have often taken a different route. Rather than challenging them in their holistic proposition, they focus on specific financial services that they can build better customer experiences around. Their success has given consumer the ability to “unbundle” and select the companies they prefer for very specific financial services.

While some challenger banks have plans to branch out as they grow, others are more than willing to partner with the best of breed third parties who offer services that they don't see as being core to their businesses.

Our client **Peaks** decided to focus on the investment clients that are perhaps new to the investment market. They allow for a micro-investment strategy. Using Peaks, consumers can choose to round up their payments. The change be invested in the Peaks investment account. They target small time investors by offering a very real-time report of their assets. It offers a gamified experiences, appealing to a specific audience.





A mobile micro investment proposition

PEAKS



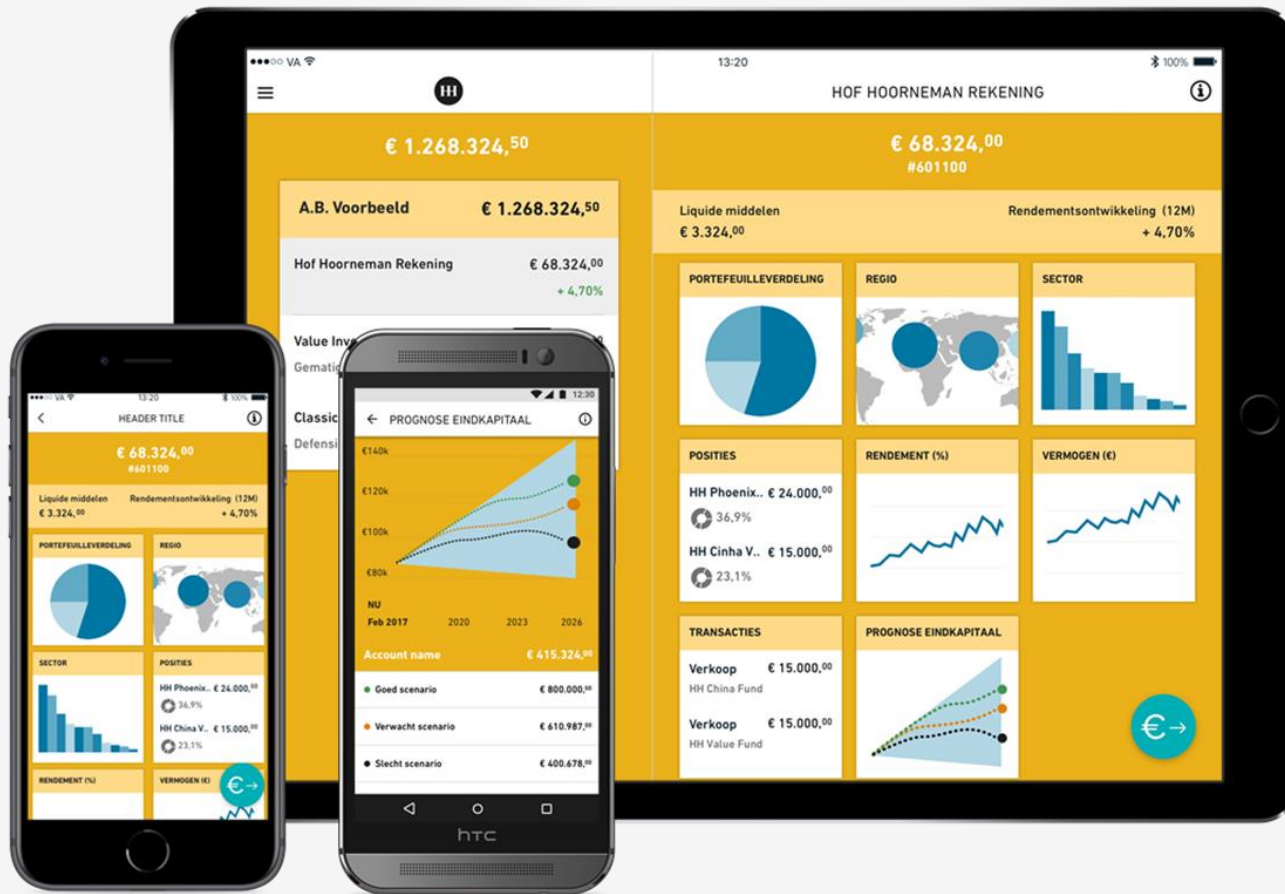
## 5. Focus on Mobile

The rise of the smartphone has changed the way individuals, particularly those under the age of 50, want to interact with their banks and challenger banks are taking advantage of this by increasing mobile-friendly user experiences. Now, the newest generation rarely even uses the traditional internet. Mobile apps are the preferred way of communication. A mobile first is way to go.

The most successful challenger banks offer an iOS and Android app that is designed to appeal to consumers tired of using the clunky and not-always-so-useful apps that many big banks still offer their customers. The apps of challenger banks tend to be much slicker and, more importantly, offer functionality that makes it super easy for users to perform common functions and access the data they need.

Although the current banking behavior is shifting to mobile, other devices like wearables and 'things' might be the future. In order to prepare for future shifts we focus on developing in a modular way, using api's. By loosely coupling the front- and backend you allow your interface to remain omnichannel, regardless of the preferred device that is to come.





For investment firm **Hof Hoorneman** we designed an app for iOS mobile using modular development. With just minor adjustments we were able to deliver a tablet app as well.

An iOS and Android native mobile app based on the InvestmentRight module in BankingRight.







# BankingRight ▲

The solutions provided in this document to our clients in banking are based and build on our product, BankingRight.

Banking**Right** offers a website and MyZone as well as native mobile solutions. The mobile solution is a complete front-to-end solution that can be implemented in a minimum amount of time. Our mobile first offering ensures you can benefit from all the opportunities Open banking has to offer:

- fully digital onboarding of new clients
- product overview
- transaction overview
- customer interaction
- money transfers
- payments
- real time integrated support
- correspondence overview

## Benefits

As with our other products, Banking**Right** allows for a much shorter time to market and ensures quality in the fundamental features. Branding is easy. We can assist in all the services surrounding the implementation, but if you have your own trusted partner for projects, we are happy to collaborate. We enable you as a marketer to focus

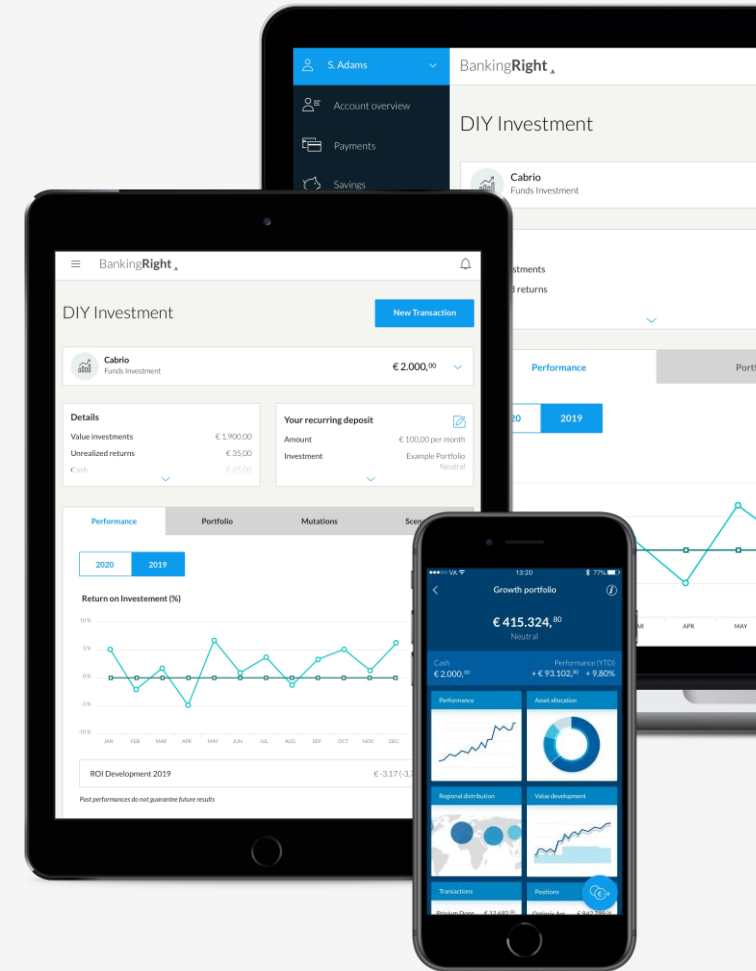
on your unique corporate qualities, rather than universal banking needs.

The online customer experience is the key differentiator for any financial services provider. Banking**Right** puts you in full control of this strategic asset. We provide highly flexible solutions to kickstart new digital channels and we support delivery models that allow you to direct the continuous development to the evolving needs of your clients.

## InvestmentRight ▲

For private banks and wealth management institutions our Investment**Right** adds investment management capabilities for single fund investments, such as:

- asset overview
- portfolio insights
- goal based prognosis
- buy and sell funds
- automated savings capabilities
- micro investments
- balance alerts
- investment prognosis





# Get in Touch

Virtual Affairs is an international software and services company. We specialize in the development, expansion and renewal of digital channels for bank and insurance companies. Virtual Affairs has more than 20 years of experience in the world of digital transformation. Our strong professional drive, applied technology and an open and honest attitude are the foundation for **Moving finance forward**.

Contact us to let us be a guiding partner to solidify your ideas.

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