STUDIES CONDUCTED BY THE OBSERVATORY

THEMATIC STUDY

March 2014

The impact of digital on banking professions

Charlotte Béziade & Serge Assayag
Weave

Observatory on professions, qualifications and gender equality **in the banking sector**

Thematic study

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Weave

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Ensemble, faisons preuve de talent.

The impact of digital on banking professions

Contents

Acknowledgements

This study is the result of interviews conducted between October 2013 and December 2013 with key players in the digital and banking sectors. The observations and analyses presented in this document are therefore based on their statements and feedback.

We wish to especially thank the Observatory's team in charge of the project:

- François Laffond, Head of the Observatory, AFB
- Mélanie Hulin, Observatory Communications Officer, AFB
- Laurence de Gennes, Head of HR Policies and Change Support, La Banque Postale
- Stéphanie Leloup, Head of Group HR Planning (GPEC) and HR Support for Projects, Société Générale
- Sophie Delmas, Head of Digital Transformation and Change Support, BNP Paribas

As well as the following representatives for their availability, the quality of our discussions and their contributions to the study:

- Héloïse Beldico-Pachot, Head of Digital Marketing, La Banque Postale
- Marion Cousin, Head of the Merchandising and Innovation Division, Multi-Channel Distribution Department, La Banque Postale
- Aurélie Mallécot, Institution Head, La Banque Postale
- Jérôme Sorin, Head of the Innovation Laboratory, Société Générale
- Franck La Pinta, Head of Digital Strategy and HR External Communications

Group Human Resources Division

- Antoine Desaché, Innovation Study Officer, Group Innovation Observatory, Société Générale
- Fanny Perraudin, HRD Assistant for Retail Banking in France, Société Générale
- Denis Auger, HRD for the Southern Paris Region, Société Générale
- Elisabeth Baucher Campus, Director of the Customer Service Division, Société Générale
- Emmanuelle Léon, Associate Professor of Human Resources Management, ESCP Europe
- Sam McCready, Head of Digital Banking, Bankwest Australia
- Sébastien Garcin, Deputy Managing Director, DDB Paris
- François Rousseau, Strategic Planner and Head of the Digital University, DDB Paris

As well as the experts at weave:

- The partners in charge of banking sector transformations: Eric Delannoy, Alexandre Meyer, Jean-Eric Crosnier
- The team in charge of digital transformations: Olivier Reisse, Géraud Menu, Marc Boutoille
- And the active proofreading of Kazem Tabrizi and Hortense Nicq.

Methodology

Background

The Observatory on professions, qualifications, and gender equality in the banking sector (the Observatory), created following the national inter-professional agreement on professional training of 2004, is an HR Planning (GPEC) tool. It allows the consequences of quantitative and qualitative changes on banking professions and the related skills to be anticipated.

The Observatory wished to conduct a study on the impact of digital on banking professions. It seeks to answer the following questions:

Definition

- What does “digital” mean in the banking sector?
- What professions does it affect and to what extent / in what order of priority?

Analysis

- How will jobs be impacted by digital?
- What are the impacts in terms of skills transfer, emerging skills or obsolete skills?
- What are the possible consequences in terms of redeployment?

Prospects

- What are the prospects for banking professions from a digital perspective?

The study is based on the mapping of the key professions already defined by the Observatory. It provides a forward-looking view of the framework of skills and activities.

This report is intended to be instructive to allow any reader, whether a bank employee or a member of the general public, to understand the findings of the study.

Two presentations have been made to the Observatory’s Steering Committee

Methodology

The methodology is based on five phases, previously defined with the study’s steering team within the Observatory:

Guidance - Validation meeting with the Observatory’s steering team for:

- the action schedule
- the list of documents to be collected from the AFB
- the list of interviews to be conducted
- the broad outline of the written report
- the practical details for updates/progress reports

Phase 1 - Collection and analysis of existing documentation with the AFB and its partners, particularly:

- the mapping of AFB professions
- the statistical studies and data on banking professions
- the quantitative and qualitative studies already performed in connection with the subject: the Observatory’s studies (GPEC, remote relations professions, etc.), any studies of other branches (Digital, etc.), any studies by member companies and European and international partners.

Phase 2 - Collection of views of weave experts during qualitative interviews:

- with weave's Digital Enterprise experts: How is digital defined? In concrete terms, what does it cover (technical and technological evolutions)? What impact does digital have on business professions in general and banking professions in particular?
- with weave's Banking/Insurance experts in France and abroad: How is digital defined in the banking sector? In concrete terms, what does it cover (technical and technological evolutions)? What impact does digital have on the evolution of banking professions and what changes are under way? …
- with outside experts in the university and private sector who have proven expertise in the subjects of digital and its impact on organisations in general
- with an expert in digital in banking abroad

Phase 3 - Collection of the views of AFB members during qualitative interviews.

Phase 4 - After selecting the three professions to be analysed in detail, gathering of the views of "profession experts" on the evolution of the professions in question and the related skills:

- interviews with profession experts acquainted with the three professions selected for a more thorough analysis using a grid to analyse the environment, activities and skills related to each of the analysed professions.

Note:
Each interview was prepared using previously gathered information in order to broaden/validate/counter the initial findings established with the experts within an optimal amount of time.

Similarly, each interview was based on a matrix designed to analyse the impacts of digital on banking professions.

The written report was enriched as the interviews were conducted, according to a plan previously validated with the study's steering team within the Observatory.

Phase 5 - Finalisation and presentation of the study

- Finalisation of the written report
- Preparation of a verbal summary
- Presentation of the summary to labour and employer organisations (Steering Committee of the Observatory and CPNE – the French labour/management commission)

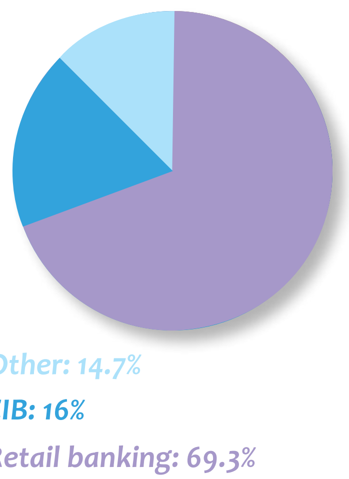
Throughout the work, the following were organised:

- regular updates with the study's steering team within the Observatory, in order to share the findings, validate the format of the study, identify any needs for clarification or adjustments, etc.
- updates with the organisations on the progress of the report and the findings.

Scope of the study

This study focuses on retail banking. It does not address corporate and investment banking (CIB) or asset management banks. These two activities represent 30% of total revenues of French banks, accounting for some 16% of the banking sector's workforce, whereas retail banking alone accounts for nearly 70% of the workforce (AFB 2012 figures - "Les métiers-repères de la banque").

Staff distribution by major banking business sector in 2012



Source: AFB – 2013 social database – 2012 year-end data

The panel of respondents reflects this choice and proposes certain targeted perspectives concerning the international banking sector.

The choice of activities studied in detail is presented in the third part of the study.

Introduction

According to Michel Serres, the impact of the current digital revolution will be at least as significant as the invention of writing or printing in their time. The notions of time and space are totally transformed, and the ways of accessing knowledge have been profoundly changed. (Michel Serres, Petite Poucette, Editions Le Pommier, 2012).

The purpose of this study is to enhance understanding of the impact of digital, particularly on retail banking and its professions. It aims to clarify, illustrate and open up debate on what digital is, the meaning and characteristics commonly attributed to it, and what its deployment involves in terms of changes in customer practices and evolution of the business model, the organisation, and the professions of retail banking.

It presents keys to understanding the current and future changes in banking professions in view of the deployment of digital.

Once the methodology and background are set out, this study will first examine the elements of the contours of digital. Most of these elements come from interviews conducted with experts.

The impacts of digital on banks and their customers will then be presented:

- changes in behaviour and ever more demanding bank customers;
- the emergence of new players on the banking market and particularly on the payment methods market, who are taking advantage of the opening of legislation and new market conquest opportunities brought about by the change in customer behaviour;
- and the transformation of retail banks, in response to these market developments, reflected by online optimisation of the customer experience, the transformation of operational processes, the evolution of in-house organisations and operating modes, and the transformation of the business model of banks.

These adaptations in retail banking, its organisation, and its operating modes affect its professions: their activities, their environment and their key skills.

Lastly, in order to understand the extent of the impact of digital on banking professions, this study will seek to provide feedback on the first areas of analysis resulting from interviews conducted with experts interviewed on the subject. After an initial analysis phase, three professions are granted specific attention:

- Back Office Manager,
- Customer Advisor,
- Branch Director

1. Getting to grips with digital

1.1 An unclear definition of digital

For nearly 10 years, CIGREF[1] has been outlining the scope of digital, and many authors have published and continue to produce works dedicated entirely to the definition of digital.

The term "digital" historically referred to the use of numerical digits. In information technology and telecommunications, digital refers to the representation of information or physical quantities using characters, such as digits, or discrete-value signals.

Digital also refers to systems and mechanisms or processes using this mode of discrete representation, as opposed to analogue. (Translation of definition from Larousse dictionary)

Each of us has a more or less clear definition of digital. For some, it is confined to tools (tablets, smartphones, etc.), particularly new technologies, or more broadly encompasses the notions of changes in practices.

[1] CIGREF, a network of large companies, is an association founded in 1970. It consists of more than 130 large French companies and organisations in all business sectors (banking, insurance, energy, distribution, industry, services, etc.). CIGREF's mission is to "promote the digital culture as a source of innovation and performance".

For others, digital refers to the opposite more than its uses and the cultural and organisational changes that it implies.

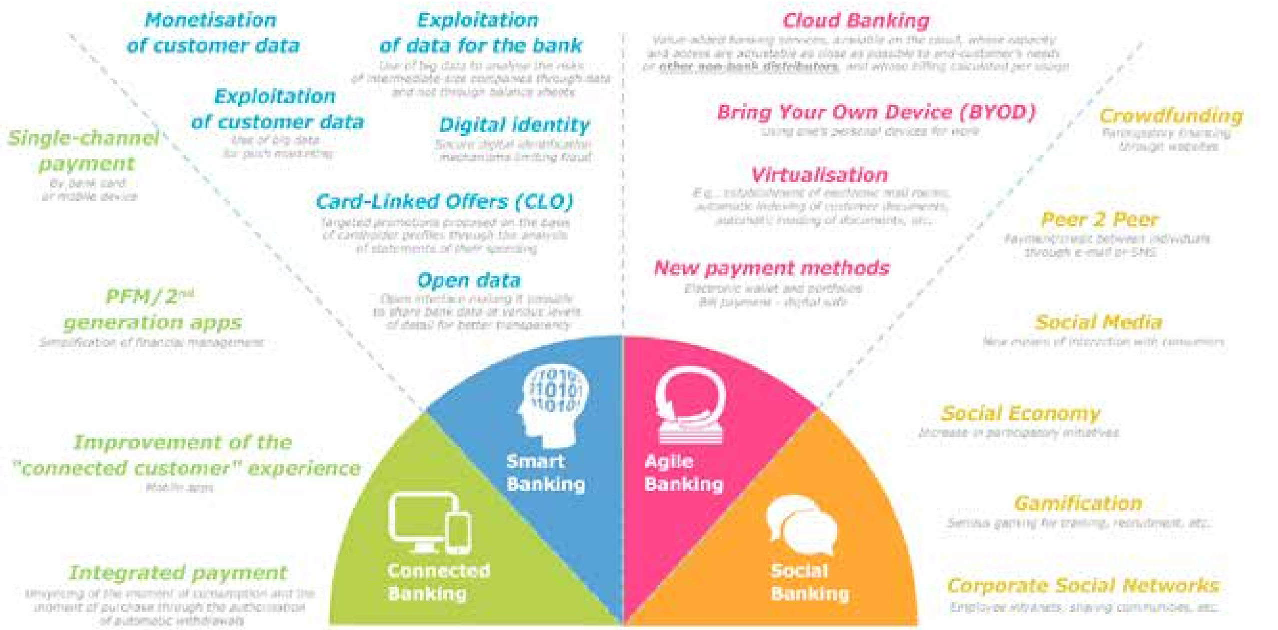
With its blurred edges and a complex definition, whether it is perceived as a threat or as a tremendous growth opportunity, digital arouses everyone's interest: from the company head to the employees, from industry to the banking sector.

"Digital" comes from the Latin digitalis, digitus, or "digit" in English, making reference by extension to the use of tools for humans. (Definition from Larousse dictionary)

1.2 Despite perceivable characteristics: towards digital enterprise

Digital is an imperative for business. Business is "**CIAS**":

- **Connected** (multichannel experiences through e-commerce, mobile apps, and tablets, etc.),
- **Intelligent** (informed decision-making thanks to Big Data and development of cross-functionality among various branches, etc.),
- **Agile** (increased operational efficiency thanks to automation and "digitisation" of processes),
- **Social** (improvement of the brand image and in-house collaboration through the use of social media).



Digital does not concern just the **new "Y" or "Z" generations** or even the generations to come, but the entire world: businesses and individuals, management and operating staff, young people and seniors.

Digital impacts business on three dimensions that often overlap:

- **external digital**, which is reflected by the presence of a company and its visibility on networks, through interactions that it may have with its customers and/or its prospects, for example;
- **central digital**, which is the impact of digital technology partners and generally the ecosystem of the company;
- **internal digital**, which reflects the impact of digital on the employees, organisation, and operational processes of a company.

Digital business defines an overall, consistent digital strategy on these three areas.

Digital is creating drastic transformations in habits and practices of both customers and employees, who are themselves, as private individuals, consumers "just like others", and is developing a new ecosystem that disrupts enterprise in its way of engaging in and seeing business (e.g., collaborative economy, eCommerce, etc.).

It infuses more immediacy into our relationships by promoting communication that becomes "just a click away" and permits an increase in exchanges of **data**, particularly **unstructured**.

Digital in the broad sense can be perceived as a way to disseminate information, making it available to everyone, whereas it was previously reserved for a small circle of insiders, thus reversing the historical relations of power.

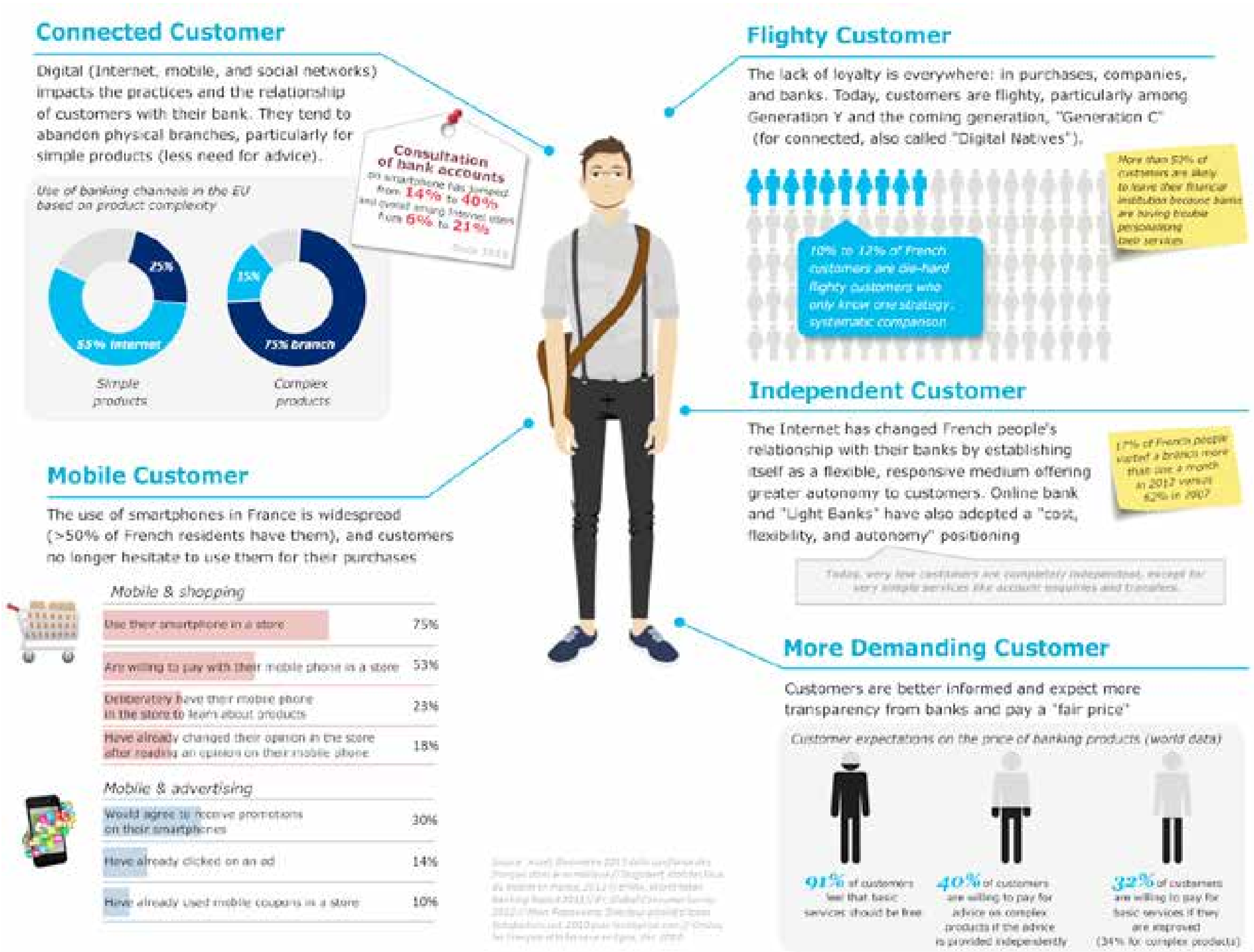
Generation X and Y: according to the classification by William Strauss and Neil Howe, Generation X refers to the sociological generation of Westerners born between 1960 and 1981. This generation lies between Baby Boomers and Generation Y. Generation Y consists of people born roughly between the late 1970s, or the early 1980s (according to sociologists), and the early 2000s, but the individual and type have lasted through the years. (Wikipedia)

Unstructured data: as opposed to "structured" data, "unstructured" data are scattered, heterogeneous data developed particularly with the advent of Big Data and social networks, each of us produces and shares large amount of data, often uncoordinated and without any logical link among them.

Its development in both the private sphere and in businesses is also changing the relationship between a company and its customers. Consumers are savvier and are becoming more impatient and demanding than before. Generations of ultra-connected customers searching for personalised, available immediately products or services are emerging. **The "I Know What I Want and I Want It Now" (IKWIWAIWIN) generation** is emerging.

These "mobile" customers are particularly autonomous because they rely on the advice of their peers on networks and sites for sharing customer experiences. They are therefore more flighty and lack loyalty (see diagram and part 2.1).

Today, being in a position to assess the quality of the service provided to them, customers are also comparing the price offered to them by a company with the price promised by the competition. This comparison is also stored on the Web, using price comparison tools or community sites.

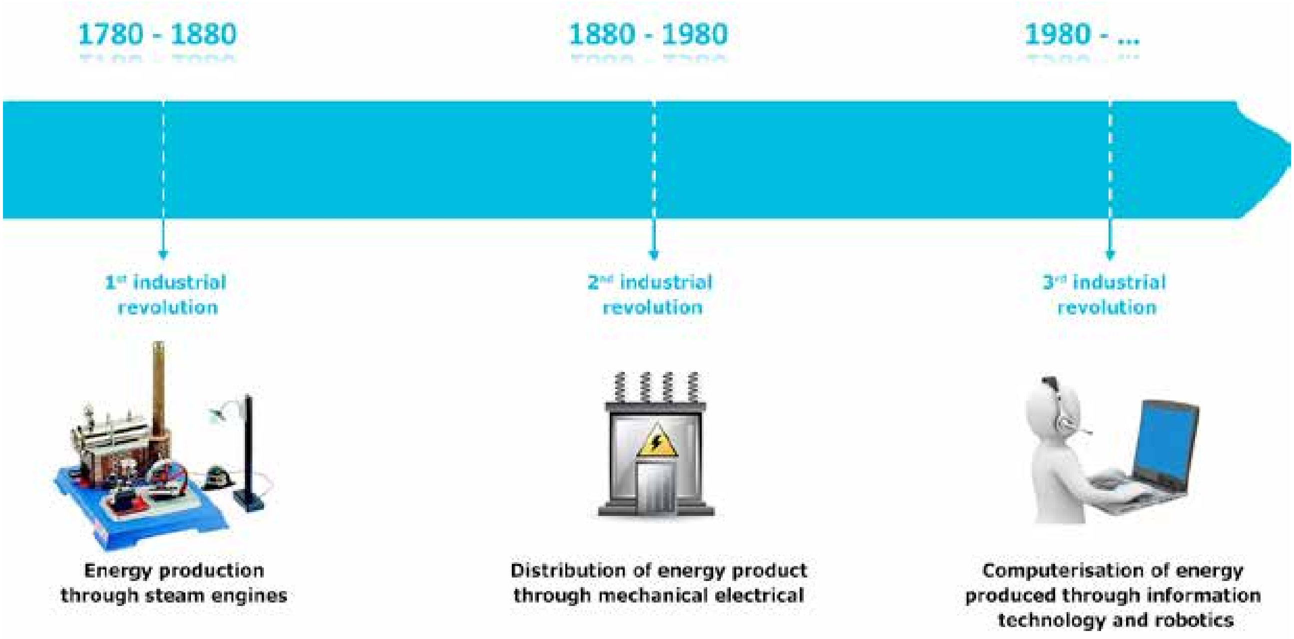


1.3 More of a natural evolution than a revolution

Unanimously considered a necessity for the survival of companies, across all sectors, the **"digital transformation"** appears to be less of a transformation involving a disruption than a logical evolution.

Digital is already an integral part of the private sphere and fits in with a natural evolution by increasingly penetrating the professional sphere. The **"Bring Your Own Device"** phenomenon is an example of this.

For some, digital is even the "driving force of the third industrial revolution"[2]. The "digital transformation" is the result or consequence of other revolutions that occurred well in advance and are today fully integrated into our lifestyles, whether we go back to the first industrial revolution with steam engines or we look no further than the advent of the Internet, more than 30 years ago.



Digital transformation: process, transition by which the company incorporates digital into its processes, strategy, organisation, interactions with its internal and external customers, etc.

Bring Your Own Device (BYOD): the practice of using one's personal equipment (telephone, laptop, tablet) at work. (Wikipedia).

[2] "Driving force of the third industrial revolution": a term borrowed from Jeremy Rifkin, in The Third Industrial Revolution, 2012, and repeated by Aymeric Bourdin, "Le numérique locomotive de la 3e révolution industrielle", Editions Ellipses 2013.

In its foundations, the Internet already had the mechanisms of decentralisation, information-sharing, and networking, issues that are now found in the "digital transformation" of companies.

Designed by the US military, the Internet was intended to safeguard information. In its civilian beginnings, it was initially envisaged as merely an additional means of communication, unidirectional and asymmetric, comparable to radio or television: unidirectional because information followed a downward flow – from experts (journalists, companies, governments) to the general public – and asymmetric because a small group of specialists addressed a large mass of individuals who received the information passively.

"In 2012, there were 41 million Internet users in France and 23 million mobile Internet users."

At the end of the 1990s, the Internet's potential was revealed by the convergence of several phenomena.

First, the rate of households with electronic devices, especially computers, drastically increased: 41.2 million Internet users in France, 23 million mobile Internet users, 2.3 million tablets[3]; 23 million Internet subscribers in France[4].

The successive technological evolutions then made it possible to offer the general public interfaces that were more user-friendly and intuitive in terms of access and use. This also largely explains the virtually uninterrupted, unprecedented increase in demand: +12.6% per year and per volume over 45 years in France between 1960 and 2005[5]. It is also explained by the continued decline in prices, mainly for personal computers.

Lastly, the explosion of the Internet access around the world has allowed Internet users to appropriate these new tools in order to express themselves and group together into communities, recently described as "tribes".[6] The number of Internet users increased from 150,000 in 1995 to 26 million in 2005 in France. The number of subscribers quadrupled between early 2000 (3.1 million) and late 2005 (13.1 million). Internet users are becoming players of the Web and are demonstrating their willingness to produce, receive, and share information on specific topics, thanks to Internet services, blogs, wikis, and social networks. We are thus seeing the emergence of centres of influence, sometimes embodied by a single person, a recognised opinion leader "followed" by his or her peers.

It is understandable that the digital transformation is among the most burning issues for businesses. Here it is worth determining the impact on the bank in particular.

[3] 2012 figures, Médiamétrie
[4] 2012 figures, ARCEP
[5] INSEE figures: Household ICT consumption over 45 years
[6] Médiapart, Le Monde Technologies

More of a "rapid" natural evolution than a revolution

Did you say digital?

2. Impact of digital on banks and their customers

Digital has a particular resonance in the banking sector.

This sector is particularly affected by the digital transformation because of the strategic importance of its Information System, but also because of its interactions, now disrupted, with its customers in retail banking.

2.1 Evolutions of behaviours and expectations of customers

We have outlined the changes in practices and behaviours of customers of the banking sector, even if we consider them all to belong to the same homogeneous group. More than a change in practices and behaviours, the demands of bank customers are growing.

2.1.1 More interactivity, continuity of service, and ease of use

First and foremost, customers expect strong interactivity and continuity of service from their banks.

At a time when everything is available online 24/7, it is becoming increasingly unthinkable for customers to have to submit to a branch's hours, which are often incompatible with their working lives. Since the 1990s, this need for interactivity has prompted the establishment and deployment of calls centres or customer service departments. Today, it is illustrated by the online consultation of institutional sites of banks, reinforced first by the rising number of equipped households, then by the development of smartphones and related mobile apps.

On the other hand, customers are increasingly looking for simplified services.

A US study[7] carried out in 2010 with 6,000 consumers in Europe, North America, Asia, and Middle East analyses the emotional and economic value of the notion of simplicity. The presented conclusion is that a more or less representative proportion of consumers (from 7% to 23% depending on the region) are willing to pay more (on average 6%) for products offering greater simplicity. This study ranks fast food and electronic brands first among brands perceived as "simple". In contrast, banks and insurance companies rank last, and their offerings are perceived as complex, or even opaque.

The search for simplicity is a fundamental trend partly behind the development of mobile apps, which, by definition, customers always have on them. This search for simplicity is also behind new ranges of "easy" products and services. They are characterised particularly by multichannel distribution (allowing customers to have continuous access by several means to their bank accounts and services) as well as communication without an intermediary or "disintermediated".

2.1.2 Towards more disintermediation

Customers want to have tailored services without dealing with delays or complex procedures.

To do this, they are prepared to bypass traditional/institutional intermediaries and make the effort themselves to negotiate the terms of their contract or the solution to a problem that they encounter. This is called "disintermediation". The scattered coverage of physical branch networks (in contrast to the ubiquity of mobile, which, by definition, allows customers to have access to their accounts and basic banking services anywhere at any time), accentuated by cost requirements, and the often insufficient mastery of information technology in the branch are weakening the role of the traditional intermediaries represented by network banks. New types of **infomediaries** are appearing, first and foremost telecom operators and computer industry players. Their most common form is **m-banking**.

The self-service phenomenon is also contributing to disintermediation.

Every day, customers are becoming more agile with new technologies, more informed, and ever more impatient and prefer to manage simple ("low value added") transactions themselves using their home computer, mobile device or ATMs. Cash withdrawals, balance enquiries, cheque deposits, and bank transfers are among the common transactions most affected by this disintermediation of bank customers.

Another customer behaviour, similar to "self-support", is also emerging: consumers are becoming "consumers who take charge" who interact with the business. The customer/supplier relationship is evolving into a partnership relationship.

[7] Siegel+Gale – 2010 Global Brand Simplicity Index

Infomediary: born in 1999 from the contraction of the words "information" and "intermediary" suggested by John Hagel, a consultant at McKinsey & Co, the word "Infomediary" defines a very particular concept. This intermediary gathers information on consumers, with their consent and sometimes for payment, in order to resell it. At the same time, the Infomediary selects products and services for these same consumers likely to suit them. Today, the concept has expanded and merged with "market maker", which allows companies to conduct business. It now covers any company that gathers information on a given sector. This information will be resold or will allow two parties to complete a transaction. (Article by Corinne Montculier, "Le rôle de l'infomédiaire", at www.01net.com).

M-banking or mobile banking: a system that allows a financial institution's customers to perform a number of financial transactions with a mobile device such as a mobile phone or a personal digital assistant. (Wikipedia).

2.1.3 The quest for personalisation

Customers are looking for personalised advice with high added value.

Satisfaction surveys have highlighted the lack of differentiation perceived by customers among the market's various banking institutions, which still too often have a product approach with little differentiation based on conventional segmentation criteria. In addition, customer behaviours have changed considerably and are moving more and more towards co-construction of offerings suited to their needs. The example of the 9th feature of the Société Générale mobile app illustrates this phenomenon: the bank conducted a three-month survey of Internet users, both customers and non-customers, on the principle of the collaborative idea box, available on its website. Two hundred and thirty ideas were proposed, including "making contact with advisors", which was the one chosen.

The focus has been put back on customers, and the bank's relationship with them must be personalised. Most banks have set a goal of meeting with them at least once a year (face-to-face or by telephone). Advisors and banks in general keep the history of these exchanges and use them in a relevant manner to personalise the established relationship and strengthen the bond of trust.

This expectation of listening to and analysing the individual needs of customers is in keeping with the concept of one-to-one marketing. It must be resolved with the exploitation of **big data**. It is one of the major challenges for banks, in a context of generation of information that is often very unstructured and prohibitive customer acquisition costs in a saturated French, or even European, market.

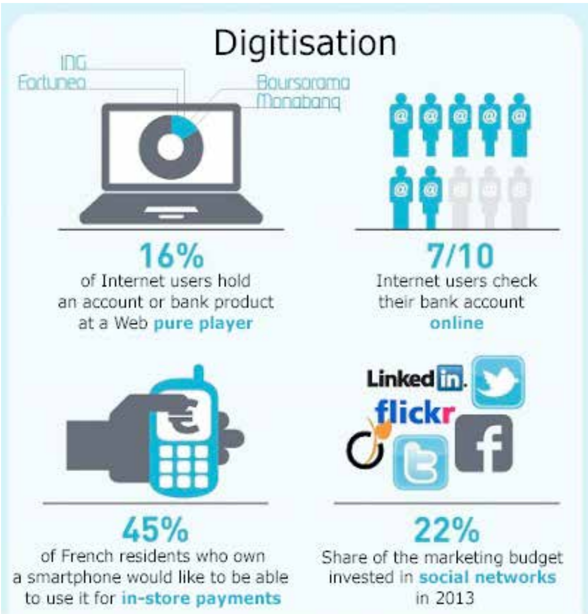
Big Data: data generated each day from various sources (from sensors used to gather climate information, messages on social media sites, digital images and videos published online, online purchase records, and mobile phone GPS signals). The collection of all such data (estimated at 2.5 trillion bytes of data) is called Big Data. (IBM)

2.2 Emergence of new payment methods and arrival of new entrants in the banking sphere

Embracing new opportunities brought about by these changes in practices and taking advantage of advances in technology and opportunities related to the opening of the market by recent regulatory developments, new banking models and banking services are emerging.

2.2.1 Direct banking and pure players

According to a TNS Sofres survey, published in February 2013, consumption of online banking services increased by 200% per year in 2011 and 2012. Online banks currently account for 2 to 3 million customers, and the market still represents only 5% of the sector, or about 3 million accounts opened. According to the price and banking service comparison site Panorabanques.com, it attracts 100,000 to 150,000 additional customers each year.



"Online banks currently account for 2 to 3 million customers"

To occupy this "territory" and compete with the online banks of insurers or even large retail groups, large network banks have developed their own online branches. In addition to the traditional banking services made available to customers by retail banks (transfers, balance enquiries, etc.), many of them have developed subsidiaries (often independent new entrants) that exist only online.

Among the largest are eLCL for LCL, Agence Directe for Société Générale, Filbanque for CIC, AXA Banque (formerly Banque Directe) for AXA, monbanquie-renligne for Caisse d'Epargne, and La Net Agence and Hello Bank!, most recent, for BNP Paribas.

Two strategies adopted

These new players are following two diametrically opposed strategies and are positioned either as a complementary communication channel to the already existing retail banking network in question or as a full-fledged e-bank, a competitor of the retail bank of which it is a subsidiary.

- In the first case:

the bank proposes an offering similar to the offering available in the branch but on a relationship-based mode favouring remote channels, particularly (and unlike "unpersonalised" call centres) with the attachment to a particular advisor accessible through a multitude of channels (e-mail, phone, video-conferencing, SMS, etc.). The branch often remains a possible point of contact for customers, and these online branches have specific brand names (e-LCL, La Net Agence, etc.) and are very clearly linked to their "parent bank". In terms of pricing, the differentiation remains limited and very far from the apparent "free access" offered by pure-players.

- In the second case:

online banking can follow a logic of specialisation in a specific product type. It is thus designed as a virtual yet fully-fledged, independent bank. The bank offers the full range of conventional bank products, the customer relationship is handled by an advisor with a virtual or real identity, contacted by telephone or video-conference instead of meeting in a branch, and documents are exchanged by e-mail or post, depending on their legal value.

These bank formats were created in response to the offerings of direct banks like ING Direct (present in France since 2000 with 880,000 customers at mid-2013), Boursorama Banque (launched in 2006 after the merger between Fimatex – a subsidiary of Société Générale – and the stock exchange information portal Boursorama, with a goal of 500,000 customers by 2013), Monabanq (created in 2006, 290,000 customers in France in 2013), and Fortuneo Banque (created in 2000, a subsidiary of Crédit Mutuel Arkea, 180,000 customers in France in 2013 and a goal of 300,000 customers by 2015).

While the online banking market is only marginal for now, it supports the wealthiest, and therefore most profitable, customer segments.

2.2.2 New payment methods

The entry into force of the SEPA standards (the migration of which began in 2008 and will go mainstream on 1 February 2014), the creation of the status of payment institution in 2009 and the status of e-money institution in January 2013, the development of e-commerce and mobile, the drop in income on conventional payments (bank cards, transfers, direct debits, cheques), and the evolution of consumer practices are some of the many factors leading to innovative payment instruments.

The boom in new technologies is also contributing to the entry of new hybrid players on the payment market.

- Paypal

Among the sector's major players, Paypal, a subsidiary of eBay, has had the status of a credit institution since 2007. Its European bank is based in Luxembourg. Banking services represent an activity particularly coveted by Paypal in particular, which plans to launch into consumer credit for individuals. In April 2013, eBay held its Analyst Day event, where the company presented its intentions regarding the credit market: the margin made on a purchase based on a credit offering is 73% greater than the margin generated through a conventional payment method. On the other hand, the conversion rate of a purchase financed by a credit offering is much higher than for a purchase using an immediate payment; credit users spend almost 40% more than other consumers.

Paypal is also targeting corporate finance: experiments in corporate finance are in progress in the United Kingdom and in the deployment phase in the United States.

- NFC contactless smart cards

In Japan, the Suica card (Super Urban Intelligent Card) is an NFC (near field communication) contactless smart card and/or stored in the mobile devices of users and operates as an electronic wallet. Similarly, in Hong Kong, PCCW-HKT, the largest mobile operator in Hong Kong, has deployed the Octopus card as a new-generation mobile wallet since 1997. This card, originally created to facilitate payment for public transport, is now also used to make purchases in a large number of shops in the city, supermarkets, restaurants, and cinemas and allows users to accumulate loyalty points. It can also be used as a building access card.

Today, more than 23 million Octopus cards are in circulation, allowing 95% of the city's population to take advantage of micro-payment services. These services could inspire European cities, particularly London, where an extension of the Oyster card's features is under consideration.

- Mobile payment

The mobile payment or "m-payment" trend is becoming established throughout the world and electronic payment generally remains a point of entry.

Once the brand has become established on this activity, it can offer new services and products. Other players in various sectors have embarked on the niche of new payment methods, including Internet giants such as Google (with Checkout, founded in November 2012 in Google Wallet) and Microsoft in the United States and telecoms (ISIS in the USA and Buyster, a joint subsidiary of SFR, Bouygues Telecom, and Orange in France), etc.

Banks are trying to fight back by developing their electronic portfolios (Kwixo for Crédit Agricole, S-Money for BPCE, Paylib by BNP Paribas, La Banque Postale and Société Générale, etc.), as we will see later in the study.

Mobile payment, the payment method of tomorrow?

It is quite understandable that the omnipresence of mobile is making it an ideal payment method of tomorrow.

The growth forecasts for mobile connections are counting on record rates of more than 8 billion by 2013[8], i.e. more than the world population. In its 2011 edition, 70% of the sector's professionals and experts (sample consisting of representatives of banks, central banks, telephone carriers, processors, consultants, and merchants) considered mobile to be the most promising payment method by 2015.

With more than 6 billion mobile subscribers around the world and the exponential growth of smartphone use worldwide (250.2 million smartphones were sold throughout the world in 3rd quarter 2013[9], an increase of nearly 46% in three months), the number of **mobile Internet users** is expected to exceed the number of "conventional" Internet users.

[8] According to "Advanced Payments Report", 2013, by Edgar, Dunn & Company
[9] Gartner study, November 2013

According to a study by Médiamétrie in September 2013[10], nearly one in two French residents connects to the mobile Internet each month. This represents 25.8 million mobile Internet users in 3rd quarter 2013, or 3.5 million more than a year ago. There are countless mobile payment solutions, with or without QR code contact, as many European start-ups have embarked on this niche: LemonWay, Leetchi , Le Pot Commun, PyPlug, Ciyzi, Paytop, Tagattitude, Skimm, Kiips, and Flashiz, each with more or less similar positioning, enabling the payment of bills at home and/or at the merchant site through QR codes, or without contact, or through Cloud-Based Payment, or even by secure audio transfer, Peer-to-Peer or P2P money sending, accumulation of loyalty points, management of "pots", payments for transport, etc.

Equivalents exist in the United States, particularly Square Wallet, created by Jack Dorsey, founder of Twitter, and Affirm, created by Max Levchin, co-founder of Paypal, intended to facilitate transactions from a mobile device.

The goal is to offer end-customers simple, secure solutions adapted to their mobile lifestyle, eliminating the need for a bank card and PIN. To date, all these solutions are still disparate and suffer from a lack of interoperability. The standardisation of these solutions is therefore the next step in their dissemination on a very wide scale.

Mobile Internet user: a person who uses a mobile phone to browse the Internet (Internet user)

Cloud Based Payment: online payment service made available to the user/customer through a Cloud server.

P2P or peer-to-peer: a computer network model similar to the customer/server model but in which each client is also a server. Peer-to-peer can be centralised (connections through an intermediary central server) or decentralised (connections made directly). It can be used in peer-to-peer file sharing, distributed computing, or communication. (Wikipedia)

[10] Médiamétrie - "L'audience de l'Internet mobile en France en septembre 2013"

2.3 The digital transformation of retail banks

Banks are evolving and are embarking on a digital transformation to adapt to their market and the new behaviours of their customers and prospects. This transformation involves four key areas in particular:

- optimisation of the customer experience,
- overhaul of operational processes,
- modification of in-house operating modes,
- transformation of the bank's business model.

2.3.1 Optimisation of the customer experience

Banks are adopting a "customer-centric" approach and striving to get to know their customers and prospects better in order to serve them better.

Big Data plays a key role in this goal of gaining more in-depth knowledge of customers and, used wisely, makes it possible to optimise the customer experience.

Big Data is defined by McKinsey[11] as datasets whose size is beyond the ability of typical database software tools to capture, store, manage, and analyse. There are several different types:

- interpersonal data (mainly electronic communications data like social network messages, etc.),
- human-machine interaction data (archives of bank cards, Web browsing history, etc.),
- inter-machine data (GPS data exchanges, surveillance cameras, etc.).

Such data can be captured in-house, via information systems in particular, and especially take the form of socio-economic, customer knowledge (address, income and variations, etc.), or transaction history (complaints, transfers, consumption) data.

They can also be captured externally through media such as social networks, merchant sites, or blogs. Whatever its form, Big Data represents a considerable opportunity for banks, allowing them to move from a "typical customer" analysis to a "one-to-one" analysis (principle of "individual customer"), thereby allowing them to propose a personalised offering of products and services. It is therefore a significant competitive advantage for banks.

[11] McKinsey Annual Report of June 2011

In addition, banks are increasingly focusing on making themselves known and promoting their brand more effectively on social networks thanks to digital media by choosing to use dedicated platforms (sub-groups, community blogs, etc.) to address a specific segment of customers or prospects, being able to offer them tailored services/products. Virtual communities are developing, allowing consumers to find information and advice and allowing banks to strengthen their level of trust.

The bank has, even if only in-house, a comprehensive knowledge base of its portfolio of customers (their consumption habits, professional and personal situation, capital, projects, etc.) and should be able to capitalise on this knowledge in order to transform the customer experience. By aggregating the relevant data, the digital bank must be able to provide an appropriate solution to a need, like ultra-customised customer service.

The quality of the advice can also be enhanced with the digitisation of the bank branch. Digital tools make it possible to present offerings in a fun way, run simulations, and increase close interactions. These same tools can also assist advisors in the branch and put them in contact with dedicated experts through video-conferences, for example.

Lastly, interactions between the bank and its customers or prospects are favoured by the multichannel structure, which perfectly meets the needs for immediacy of connected consumers.

That is why many companies today are not only present but especially active on social networks (Facebook, Twitter, and Google+).

Many companies, across all sectors, offer a true online assistance service in addition to institutional information.

The La Poste Group makes several Twitter accounts available to its customers: a postal tracking account has been in place for two years (@Lisalaposte) and, more recently, an account for any bank management questions (@labanquepostale). Similarly, the account SGetvous, followed by more than 17,000 people, allows customers to ask their questions online.

Multichannel : generally the short name for multichannel marketing. Multichannel refers to the phenomenon of simultaneous or alternating use of different contact channels for product marketing and/or customer relations. (Marketing definitions)

Cross-channel: uses several means of distribution in relation with each other, such as the telephone or Internet. 'Connected commerce refers to an evolution of "multichannel", "cross-channel". Each commercial silo helps to improve the performance of the other, between point of sale, e-commerce site, telephone order, etc.' - "Le marketing digital", François Scheid, Renaud Vaillant, Grégoire de Montaigu, 2012.

2.3.2 Transformation of operational processes

The transformation of the customer experience is only part of the bank's digital transformation. However, the bank's digital transformation also largely involves even its operational processes.

Automation of processes

The automation of processes is a strong opportunity for growth for the bank. It allows the bank to shorten and simplify bank procedures. The establishment of ERP[12] has enabled the bank to increase efficiency and quality in its transaction, financial, and handling processes. The automation of processes also helps to free up work time for the Back Office teams in particular, which can be reallocated to tasks with higher added value.

This technological evolution also allows organisations to demonstrate more agility. With shorter decision times, they can better adapt to market changes. Banks thus have means to better prevent, assess, and control risks. It is therefore "easier" for them to meet legal and regulatory requirements.

Virtualisation

Virtualisation also permits significant gains in terms of net banking income, reduced processing time, back office cost savings and security. Service quality is therefore strengthened. This virtualisation can be illustrated in several ways and can range up to paper-free processes.

- establishment of electronic mail rooms (automatic sorting and redistribution of mail in electronic version),

[12] ERP: Enterprise Resource Planning

- automatic indexing of customer documents
- creation of electronic archives, automatic document reading, etc.

The automation of sorting, indexing, entry, or examination processes for customer records (workflow) provides considerable gains in terms of efficiency and security, since they replace formerly manual tasks, which are often sources of errors (because they involve manual reprocessing) and are time-consuming.

Furthermore, virtualisation permits tracking and a new manner of traceability of processes, contributing even more to their securing. The electronic safe is an example of the potential gains that technology and digital in general present for banks: saved time, sharing and storage of secure documents, gains in costs (storage of transmissions).

In addition, the electronic safe presents new complementary sources of income: pricing according to the volume of records to be stored and complementary services (electronic certification of the deposit date and its non-modification, possibility of sharing the safe, etc.).

The next step consists of the intelligent exploitation of all the data that the bank has on its customers and their habits (purchasing, savings, mobility, etc.) made possible by the virtualisation and electronic archiving of data and standing as one of the most important areas of future investment for the bank.

2.3.3 Modification of in-house organisations and operating modes

Information sharing

Although it has opened up new prospects in terms of gaining market share and innovation, digital has led to radical changes in the fundamentals of the business, its organisation and its operating modes. The sharing of information is a first key point of this transformation. Faced with the challenge of demonstrating unparalleled agility, employees (customer representatives in particular) must be able to access information quickly.

To meet this need, **corporate social networks (CSN)** are put in place. Their development raises many questions: Who leads these networks? How do we ensure that they are updated? How do we avoid making them simple platforms for downloading information?

Corporate Social Network (CSN) : a group of individuals consisting of natural persons and legal entities brought together in a social network. The members of a corporate social network are grouped into a community for professional purposes and are linked by an application platform gathering together the employees of a company, its customers, its shareholders, or its partners. (Wikipedia)

Interaction in business

Digital enterprise also involves changes in the ways we interact in business, such as the establishment of instant chat. It generally means changing the company's culture in order to be able to better understand the customers and their expectations.

Silo organisations are being pushed aside in favour of network organisations, allowing for better sharing of information.

New equipment

The equipment made available to employees is also changing to meet these objectives of efficiency and agility. Computers, phones, personal tablets and third-party sharing or organisation tools (Dropbox, Doodle, etc.) are increasingly entering the professional sphere, with businesses often lagging behind in terms of integrating these new tools and technologies, banks in particular, as they are subject to particularly restrictive security and regulatory requirements (the emergence of the phenomenon of Bring Your Own Device – BYOD – to be put into perspective with the particularly strong security constraints in banks).

Contrary to what one might think, the digital transformation of business is less a matter of conciliation of generations than support for a cultural change.

2.3.4 Impact of digital and transformation of the business model of banks

Unfavourable economic trends

Retail banking is faced with an unfavourable economic environment: a decrease in the net banking income of French banks of approximately 6.8% in 2012 and a forecast of -3% for 2013[13]. There are unfavourable short-term outlooks, in the same vein as the previous year (decline in retail banking revenues of around 0.2% in France in 2012). These grim forecasts are largely explained by the wait-and-see attitude of households and risk aversion coupled with low rates of return and the increased ceilings on Livret A and LDD savings accounts, which should favour liquid products.

It is this economic environment and the crisis of summer 2011 combined with the year-end withdrawal of US money market funds (leading to a dry-up of liquidity in dollars) that forced banks to improve their fundamentals and strengthen their equity. Fiscal year 2012 and early 2013 were marked by numerous divestitures and restructurings for the major players.

Although the main French banks significantly improved their interest margin in retail banking in 2012, fiscal year 2013 promises to be more difficult and the medium-term prospects are uncertain. Banks are struggling to revive themselves with returns on equity between 9% and 11%. In addition, regulatory constraints remain strong (the recent adjustments carried out by banks were largely dictated by the need to meet the requirements of Basel III), and new technologies and digital in general are developing, opening up a huge gap for new entrants. Beyond the changing market, the bank must face up to new customer expectations and address the pressing need to reduce its costs in order to improve its profitability and return to the path of growth. All these factors are pushing banks to improve their retail banking models.

Optimisation of the branch network

Given that the retail banking branch network represents a significant share of its cost structure, and although crowds in branches are steadily decreasing, most of the market's main players have already started major discussions and work to optimise their branch network in order to curb spending, develop synergies and achieve economies of scale. This is one of the primary areas of development for retail banking. It first involves streamlining the banking network.

[13] According to the Xerfi study "Le marché bancaire en France", April 2013

Retail banking has seen its model profoundly disrupted in recent years, particularly by the increased activity of remote contact channels. Yet, the branch network remains the pillar of retail banking and the customer relationship, especially in France. According to a press release from the French Federation of Banks from April 2013[14], the number of branches remained stable between 2011 and 2012 (0.19% decrease), whereas the trend is downward in the European Union.

Proximity remains a competitive advantage that may prove to be decisive, particularly when opening a bank account. In fact, it is less a matter of drastically reducing the number of bank branches than refining the configurations of geomarketing tools to highlight the geography of deposits in location strategies. New branch concepts have thus emerged, renovated, some fully or partially automated, with user-friendly lounges, making tablets available to their customers, etc.

Today, banks are going further and trying to devise the "branch of the future", more in line with the needs of customers, but also more profitable. The specialisation of networks is also under consideration: by target of customers deemed strategic or by type of needs.

Towards digital services

Another area of development for banks involves reinvigorating activity and making the bank and its products and services more "user-friendly". Digital and the development of new technologies are a way to achieve these goals and allow banks to develop fun, simple apps (allowing customers to manage their accounts remotely, for example) or even develop and increase the number of multichannel interactions with customers. Consequently, e-branches are emerging with the aim of occupying the online space and competing with the online banks of insurances or large retail groups.

However, their success has been moderate: LCL was one of the first to test this concept with e-LCL, which had 20,000 customers in 2012, and BNP Paribas's Net Agence had a little more than 16,000 at the end of 2012, after two years of activity.

Along these same lines, we are seeing the emergence, especially abroad for now, of "entertaining services" that innovate by investing in entertainment aspects (see attached insert).

Towards a modernisation of information systems

When it comes to banking innovations, France seems to be lagging behind somewhat. While most banks around the world are intensifying their efforts – nearly 50% of the world's banks are preparing to increase their budgets and invest in modernising their information systems, the figure is only 26% for French banks[15].

For example, Bankwest in Australia has quadrupled its investments in digital over the last three years[16].

Towards new sources of revenue

A final area of development for banks is finding new sources of revenue. In this sense, digital and new technologies are an opportunity for banks to move from a strategy of products to a strategy of services.

The initiatives of banks on the payment method niche indirectly illustrate this desire. They escalated in 2011–2012 with the launch of Kwixo by Crédit Agricole and S-Money by BPCE, etc. in order to strengthen the relationship with the customer and thus positively influence the future sales of banking products and services.

On the other hand, banks are beginning to perceive the exploitation of Big Data as an additional, innovative source for revenue generation. The bank of tomorrow must be able to offer customised, innovative services to its customers, by moving from a model of infrequent but high-value-added "physical" interactions to very frequent "digital" contacts that have low individual value but, in total, present significant value for the bank. Digital is a critical means that should allow banks to regain or retain customer confidence by offering them innovative, easy-to-use services (electronic wallet with loyalty card, for example) that they are not necessarily ready to pay for immediately but that put them in a relationship of trust and make them more inclined to consume the banking services and

[14] French Banking Federation, "The density of the branch network remains very satisfactory in France - based on the ECB's annual statistics on bank networks in Europe"

[15] Pierre-Audoin Consultant market insight: almost half of banks are set to increase the budget for the modernization of their it landscape

[16] Data provided by Bankwest Financial Services.

products offered to them in a more relevant manner.

In order to better understand and better serve their customers, some banks are adopting the persona method to design or revamp their digital strategy. This means creating a fictitious person and giving him a series of qualities that broaden his profile to better express the characteristics of a target group. These characteristics make it possible to design scenarios for using products, services, and banking tools (website, app, etc.).

Foreign banks and “entertaining services”

The **Polish online bank Alior Sync** offers a multitude of digital services, ranging from the conventional smartphone app to the possibility of paying bills using a mobile phone camera as well as a sponsorship system with films and cinema seats on top of everything else.

Bank of New Zealand offers a service allowing new customers to open an account completely from a mobile device through an easy, fast process (entry of identity information, photographs of supporting documents, capturing of signature by photograph, etc.).

BBVA Compass, the North American subsidiary of the Spanish bank, offers a voice assistant named Lola (developed in association with SRI International, developers of iPhone’s Siri) to respond verbally to simple requests from its customers about their bank account (account balance, loan maturity, etc.).

Mashreq Bank in Qatar offers an accelerated service to open an account in 30 minutes and obtain a loan in 24 hours.

BNP Paribas has launched the bundling of housing savings plans (PEL) on Facebook.

DenizBank in Turkey offers a loan request service via Twitter.

CIMB Bank in Malaysia has put in place a money transfer and mobile reloading service on Facebook.

Wallaby Financial in the United States issues a smart credit card capable of selecting the credit card that, for each payment, allows the customer to obtain the best terms and benefits related to the corresponding loyalty program.

Finally, many card innovations are being developed. A **start-up in California** has developed “Coin”, a small device the size of a bank card able to hold up to eight cards in one, allowing users to change cards as they like at the touch of a button.

3.1 Evolution of the Back Office Manager profession

3.2 Evolution of the Customer Advisor profession

3.3 Evolution of the Branch Director profession

3. The impact of digital technologies on the bank's professions

In a constantly changing environment, retail banking is adapting and transforming. Its business model, processes and organisation are evolving and banking professions are therefore affected. Although it is difficult to draw clear, definitive contours of the banking professions of tomorrow, it is already possible to understand the likely impacts that the deployment of digital will involve and already involves today on the current professions.

Several professions are being created on the basis of the existing situation but incorporating the digital component.

Marketing professions

The Marketing sector will be steeped in the data streams that digital makes it possible to collect.

Data scientist professions are appearing, on the border between data exploitation (today at the ISD level) and marketing. Built on the foundations of business intelligence, new profiles will appear, mixing appetite and marketing sensitivity with technical competence in data modelling.

Human Resources professions

Similarly, "HR" is spreading with change management consultants. The impact on work organisation, project management methods and interpersonal relations (fewer professional/personal boundaries) is increasing the pressure on employees. As such, one of the impacts of digital is the need to take account of the quality of life at work in order to avoid increasingly proven stressful situations. HRDs must equip themselves to control these psycho-social risks.

Risk professions

The "Risk" sector must also adapt. The company's reputation is more easily put at stake. Regulations are becoming more complicated to enforce. The legal functions must develop their portfolio of skills.

Communication professions

These professions will experience a revolution with possibilities for multichannel exploitation giving any action high visibility. The implementation of collaborative platforms, in-house TV and mobile apps makes it possible to reach a greater number of people and personalise the messages. Whether internal or external, the sector is finding a new lease of life, provided that it knows how to adapt.

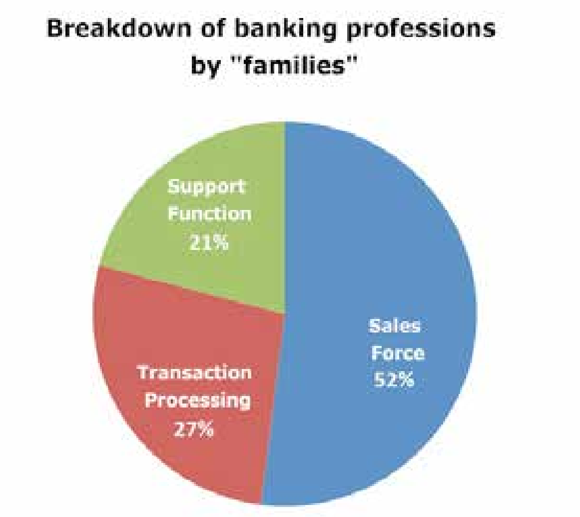
Information technology professions

Of course, information technology professions are also evolving a lot. Skills in IT architecture, data management and project management are being reinforced. The mastery of new tools is becoming more apparent. The ISD will need a paradigm shift to respond to this digital evolution.

Lastly, the organisation of work and projects are moving towards community approaches. The community manager profession is exploding. However, the contours of this new profession are highly variable from one company to another.

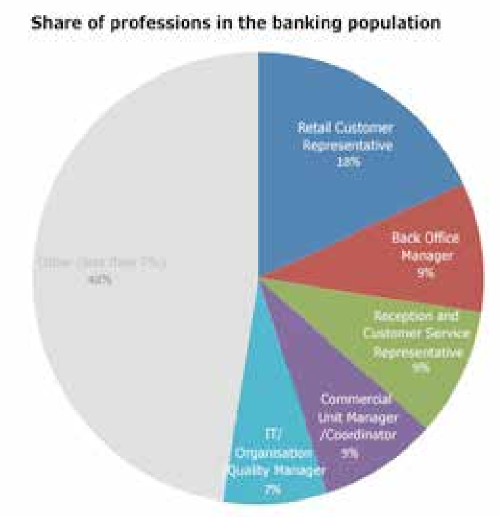
Although all the professions of retail banking are affected by these developments, we had to prioritise for our study. We thus chose to focus our analysis on "typical" banking professions, with a sector-based approach.

Our analysis first looked at the three main families of professions defined by the Observatory of banking professions: Sales Force, Transaction Processing and Support Functions. Support Functions were removed from the scope in order to allow us to concentrate on the sales force and transaction processing professions, which alone represent nearly 80% of the workforce of retail banks in France (see diagram, source: Observatory of banking professions).



A quantitative segmentation then allowed us to highlight the five occupations with the largest shares of the banking population:

- Customer Advisor,
- Back Office Manager,
- Welcome Agent and Customer Services Manager,
- Commercial Unit Manager/Coordinator
- IT/Organisation/Quality Manager.



Within these five "leading" professions, three are particularly impacted by digital:

- Back Office Manager,
- Customer Advisor,
- Branch Director.

	Professions	Impact of digital		
		On activities	On environment	On skills
"Sales force" family	Reception and Customer Service Representative	◔	◑	◔
	Retail Customer Representative	◔	◕	◑
	Commercial Unit Manager /Coordinator	◑	◔	◕
"Transaction processing" family	Back Office Manager	◕	◕	◑
	IT/Organisation /Quality Manager	◔	◑	◔

Results from the consolidation of the views of experts interviewed on the subject and following weave's analysis

3.1. Evolution of the Back Office Manager profession

Back office managers record and carry out the administrative operations underlying the commercial actions conducted in bank branches.

Evolution of their environment

Their environment is first changed by the virtualisation of payment instruments, which eliminates physical, particularly time-consuming handling (electronic portfolio, for example). The trend is clear, and we can already imagine the cheque of tomorrow, paperless, gradually replaced by a "cheque image" obtained by reading a barcode or QR code. Banks will thus be able to cut down on the hundreds of thousands of paper documents physically exchanged each day, thereby dramatically reducing their operating costs.

A further step can be taken in the field of virtualisation: instead of depositing cheques from customers with banks, merchants can process these cheques themselves and send the electronic information to the bank through the network. This trend can also be seen in the development of "paperless offices" with the processing of files in a workflow, defined as the automated management of a process involving several operators. Some speak of a zero-paper era, characterising the maximum, if not complete, computerisation of bank transactions. Today, "paperless offices" produce electronic images of the source documents of bank transactions, with each document scanned then processed electronically.

Evolution of their activities and skills

All these evolutions are moving towards an optimisation of the Back Office and freeing up time on transaction-processing tasks.

Back office heads or managers oversee the processing of transactions, operations, and flows carried out within the bank. They supervise the administrative procedures and processes (confirmation, settlement, delivery) of transactions completed by the front office on national or international financial, money, and currency markets or by salespersons in the branches. They work to improve lead times and to secure procedures. We can speak of an "upgrade" of Back Office Managers in their duties.

In fact, we can foresee an evolution in the role and tasks of Back Office Managers from the processing of transactions towards more control, even if the profession impact seems moderate, and without any profound change, although this is not a significant cultural transformation brought about by the transition from paper to paperless.

With some of their time freed up, Back Office Managers may be called upon to develop their interactions with customers and thus see their activities transferred more to the Middle Office. The impact on the key skills related to the profession of tomorrow is reflected in the development of their resistance to stress and their interpersonal ease, in particular.

Changes in the workforce and the allocation of the performance of the tasks in-house or the outsourcing of some of them are in the hands of each bank, depending on the adopted strategy. The Back Office can be seen as a task automation entity, in which case sub-contracting can be a feasible, cost-effective solution for banks. Conversely, in a time-to-market and/or customer relationship optimisation strategy, the Back Office can be considered a personalised management centre for customers, a sort of luxury after-sales service. In this specific case, we can also imagine the creation of pools of expertise with the establishment of corporate social networks.

In any event, the increase in the degree of expertise of Back Office Managers is to be expected on all tasks performed and especially with regard to the checks to be carried out. Here again, a trade-off will be necessary between the increase in expertise and the versatility expected of Back Office Managers.

Yet, the development within the Back Office of control and quality/compliance professions is very likely because of the increase in cases of bank fraud and the constant changes in regulations.

Back Office Manager Job Description

DUTIES

- Ensure the routine management of accounts and payment methods
- Ensure the management of scanned documents
- Ensure the processing of banking and accounting transactions
- Carry out purchases and sales of securities
- Carry out the administrative and accounting monitoring related to the activity
- Perform the function of control and alert on incidents
- Manage e-money tools
- Inform customers of the processing of transactions
- Initiate recovery and dispute procedures
- Monitor and manage customer succession files
- Handle customer complaints
- Ensure that the computer applications necessary for the activity function properly

ENVIRONMENT

- Works in a team in production units spread out across the bank's operating territory
- Is in contact with everyone involved in the circulation of data to be processed
- May be in direct contact with customer for after-sales services and technical/commercial services

KEY SKILLS

- Diligence
- Responsiveness
- Ability to prioritise
- Ability to work in a team
- Taking initiative

Impact of digital on the Back Office Manager profession

1 Impact on duties

- **"Upgrading"** in terms of activity: freeing up transaction processing time to be reallocated to higher-value-added, more complex transactions that cannot be handled automatically
- Evolution of activities towards **more control and risk control**
- Evolution of activities towards **more Middle Office and more interactions with customers**

2 Impact on environment

- **Virtualisation (of payment instruments, exchanges, etc.)**
- **Development of "paperless offices" with processing in a workflow**
- **Opening up to customers** and development of direct interactions with them
- Development of digital and the **circulation of false documents** (supporting documents)

3 Impact on key skills

- **Increase in degree of expertise and/or increase in versatility** on the ability to process transactions simultaneously
- **Development of the ongoing adaptation to the mastery of office automatic tools**
- **Resistance to stress and development of interpersonal skills** because of increased solicitation from customers

3.2. Evolution of the Customer Advisor profession

Customer Advisors are the customers' main contact with their bank. Listening to their needs, Customer Advisors advise them on the products and services to best meet customer expectations.

Evolution of their environment

The role and profession of Customer Advisors are likely to evolve: towards more advice and actual customer relations. With the development of digital in the bank and its ubiquity in the life and practices of its customers, the customer relationship is being profoundly transformed. Against a backdrop of increased mistrust from customers, banks must meet their new expectations, regardless of which channel is used. Particular emphasis must be placed on the relevance and customisation of the advice provided. These requirements in terms of customisation of the customer relationship entail stability of their advisor. Relieved of everyday tasks with low added value (cash management and conventional banking transactions like transfers, etc.), advisors can devote themselves to their advising and local relationship duties. Keeping and maintaining close contact with their customers must now be contemplated while considering the Internet and mobile as major essential channels of the relationship that are complementary and do not compete with the relationship with the advisor.

Evolution of their activities and skills

On the other hand, the bank is primarily an institution of relationship, proximity and trust because of its activity – the sale of banking products and services and not products and services for immediate consumption. It must position itself with its customers, more than as a supplier, as a partner supporting them throughout their lives and particularly in key life moments (family events, real estate projects, company start-up, etc.). Their advisors therefore hold a highly strategic role considering these duties. They must "think customer" and not "product".

Digital can and must contribute to this customer-oriented approach, giving advisors all the keys to understanding, analysing, and anticipating customer needs and expectations (through Big Data in particular, scoring, etc.), which will enable them to offer the most relevant services and products. This is a "win-win" relationship, because it involves true autonomy of the customer advisor and, more generally, accountability of the Sales Force teams.

Lastly, it is important to put an emphasis on the cultural changes involved in the deployment of digital in the bank, especially with regard to salespersons. It must be kept in mind that digital and online branches are not competitors of traditional branches. They are additional, complementary channels, allowing new customers to be captured. Digital facilitates the daily life of its users and allows banks to create a new model of "distance banking without distance": interactions are increased, and service is optimised. The backbone of the customer relationship remains the customer representatives. They are becoming more empowered and autonomous through the use of more ergonomic tools and platforms (provision of tablets, spaces dedicated to customer relationship management, corporate social networks for sharing knowledge and best practices, provision of media to allow customers to hold a video-conference with an expert for three-party conversations with the customer, etc.).

Their interpersonal skills and verbal and written expression abilities must therefore be strengthened in order to establish this intensified customer relationship.

Towards a specialisation of the advisor?

There are two options for banks pertaining to whether the customer advisor should specialise in a particular area of expertise. In order to better respond to their customers, should they ensure an unequalled level of expertise and become a sort of "super advisor"? Or should they instead wear the hat of a generalist and put their customers in contact with the appropriate specialists according to their needs, like a doctor would do with his patients? Another trade-off involves the possible specialisation of customer advisors according to the distribution channel involved: should they be generalists and versatile or specialists in a particular channel or even a profession?

These are real strategic choices, leading to specific organisations, that each bank will need to choose, according to their respective views. Be that as it may, the Customer Advisors of tomorrow must have access to at least as much information as their customers within an optimal period of time. To do this, they must be able to master the working tools made available to them and understand the tools used by their customers.

In addition, the development of digital impacts the duties of Customer Advisors because it promotes the reproduction and circulation of false documents. They must therefore consider matters coolly and not allow themselves to be "caught up" in the immediacy often brought about by the use of remote channels. Their analytical expertise, rigour, and vigilance are therefore bound to increase."

Lastly, the change in their customers' practices requires a form of flexibility and adaptability on the part of Customer Advisors.

Depending on the customer segments addressed, some branches need to revise and expand their opening hours.

Customer Advisor Job Description

DUTIES

- Detect the needs of customers and propose financing solutions
- Sell bancassurance products and services to individuals
- Advise customers in terms of investment and placement
- Manage and develop a portfolio of individual customers
- Monitor customer changes
- Detect financial risks (tax fraud, money laundering, etc.)
- Negotiate financial terms and guarantees
- Review credit applications and evaluate the risks
- Control the risks of financing granted
- Seek out new customers
- Perform certain back office operations
- Track regulatory, legal and tax changes specific to the banking sector
- Update commercial files

ENVIRONMENT

- Works in the branch
- Reports to the branch's retail market manager, who may be the branch's manager if the unit is small

KEY SKILLS

- Commercial sense
- Interpersonal ease
- Strength of conviction
- Availability, listening skills
- Knowledge of financial products

Impact of digital on the Customer Advisor profession

1 Impact on duties

- Increase in **advising and customer relations activities** in the share of global activities
- **Decrease in administrative tasks and everyday tasks with low added value** (management of liquid assets and first-level banking transactions, etc.)
- Remote commercial relationship and daily use of the various banking channels (**cross-channel dimension):** telephone, e-mail, SMS, chat, etc.

2 Impact on environment

- **Increase in the use of multichannel and decrease in branch visits**
- **Development of remote access and development of telecommuting** (within the limit of the security constraints)
- Better information for customers, who are **more demanding** and **more impatient**
- Development of digital and the circulation of false supporting documents

3 Impact on key skills

- **Increase in the degree of expertise:** regulatory, banking, legal, tax and economic
- **Increase in versatility** on the ability to handle the various subjects for customers and **ability to build a relationship** with an expert or third person in customer relations
- Reinforcement of **interpersonal skills** and **capacity for verbal and written expression**
- **Perspective** and high demands, reinforcement of **diligence and vigilance**
- **Reinforced adaptation and flexibility** following a new work organisation and expanded hours
- **Mastery of IT and office automation tools and equipment**

3.3. Evolution of the Branch Director profession

At the head of nearly 40,000 bank branches in France, Branch Directors have a crucial role in bank distribution.

Financiers, salespersons, team leads, managers, and branch directors/commercial unit heads/coordinators take on several roles. With their team, they develop their branch's activity in their geographical region.

Evolution of their activities and skills

The branch director profession is one of the banking professions most impacted by the development of digital in retail banking. Formerly highly focused on the commercial performance of their branch, and therefore their sales teams, they are evolving more and more towards a role of customer satisfaction manager and are strengthening their managerial qualities. New indicators will therefore need to be defined and monitored according to new procedures.

Faced with advisors made increasingly autonomous by new technologies, many of them are seeing their role being shaken up, with new, more collaborative operating modes, working in a network and sharing information more transparently.

Even more than their hierarchical position within the company, their experience and perspective position them as knowledgeable individuals or even coaches whose role is to assist and advise their teams in terms of organisation, optimisation of time and use of the various tools, to enable them to make the best of their sales meetings.

Given this, it is foreseeable that their role could evolve towards one of corporate social network leader.

According to a study[17] from February 2013 conducted with more than 1,000 branch directors of nine major banking institutions, although branch directors recognise the interest and appeal of their profession, they are not, to say the least, completely satisfied and would not be willing to recommend it. Their average satisfaction rate is rather positive at 7.3 out of 10, but only 12% report that they are inclined to recommend their profession to those close to them. There are several reasons for this, particularly:

- the growing share of administrative management in their everyday tasks,
- the lack of power to get involved in the management of their teams (recruitment, development, remuneration, and management in the broad sense of the term),
- the feeling of a loss of autonomy, particularly in defining their branch's objectives,
- a customer portfolio size deemed too large,
- the desire to be able to play a greater role at the local level.

The development of digital in banks should allow branch directors to enjoy greater power and autonomy, in the same way as they should empower customer advisors, by giving them the means to manage their branch as closely as possible, using performance indicator tracking tools that could be developed on tablets or mobile apps, for example.

Digital and its deployment in the bank should also reduce the number of particularly time-consuming administrative tasks and thus free up time to be reallocated to the management of teams. It should also facilitate the performance of the profession and in particular the control operations through their automation and the establishment of more ergonomic decision-making tools.

In this sense, digital must make it possible to adopt both an external (retail banking customers) and an internal (bank employees) "customer-oriented" position. Digital can and therefore must help to improve the satisfaction of branch directors.

[17] Exton Consulting Study: "Banking Branch Director: a profession at a crossroads"

Branch Director Job Description

DUTIES

Technical activities

- Define a branch development action plan
- Control financial balances and risks
- Ensure the unit's development on the various markets
- Handle the management of part of the customer portfolio
- Ensure compliance with the security guidelines and compliance rules
- Support advisors on complex financial products
- Train employees on regulatory changes and new products
- Detect customer needs and propose financing solutions
- Detect, analyse, and control risks (financial, tax fraud, money laundering, etc.)
- Negotiate financial terms and guarantees
- Monitoring regulatory, legal, and tax changes specific to the banking sector
- Handle disputes
- Implement strategic guidelines

Managerial activities

- Manage the commercial unit's team
- Define employee goals
- Distribute tasks and ensure the unit's organisation
- Lead and organise internal meetings
- Perform annual reviews and set goals
- Identify and define employee training needs
- Coordinate prospecting activities

ENVIRONMENT

- Is in daily contact with customers and employees
- Calls on all functional departments and experts at headquarters to better serve the customers
- Is in contact with the municipality and professional organisations as a representative of the bank at the local level

KEY SKILLS

- Know how to manage and lead a team
- Sense of responsibility
- Solid communication knowledge
- Ability to negotiate
- Autonomy

Impact of digital on the Branch Director profession

1 Impact on duties

- Reinforcement of **managerial activities,** remote and in-person and particularly **activities for functional leadership/coordination of teams** (manager coach)
- Decrease in the share of administrative activities for **report on control activities**
- Development of **activities involving customer relations**
- **Direct support** (not only by e-mail or telephone) **of the teams in the change impacting the organisation and the working** modes in the branch

2 Impact on environment

- **Decrease in branch visits**
- Travel from the workplace with remote access
- Changes in the **range of opening hours** of certain branches (depending on the type of customers)
- **Development of collective goals** (vs individual)

3 Impact on key skills

- Reinforcement of local **managerial skills** and the ability to lead the teams in a functional sense
- **Agility** and **adaptability**
- Ability to **support change**
- **Sensitivity to overall customer satisfaction** in a multichannel logic of a portfolio of shared customers

Conclusion

In 2013, the number of users of online banking services was estimated at nearly 25 million, almost one bank customer out of two. Given this estimate, no bank can afford to do without a digital strategy.

Digital cannot be reduced to the channels used by customers. Far beyond these simple tools, it impacts customer behaviours and expectations in relation to their bank. Therefore, in order to better respond to them, the bank must adapt and transform itself in depth: in its proposed customer experience, its operational processes, its modes of operation and internal organisation and its business model. Digital thus impacts organisations and banking professions, particularly three of them: Customer Advisor, back office manager and branch director.

Although it is possible to identify the characteristics of digital and its impact on the bank and its professions, it is not easy to give a comprehensive, definitive definition, given that digital is inherently instantaneous and constantly changing. At the end of October 2013, nearly 86% of Société Générale's incoming contacts were made through digital channels, placing the mobile app ahead of the bank's website for the first time in terms of number of visits. Unlike BNP Paribas, which is increasing its number of apps, Société Générale has chosen to have only one, thereby centralising all available services via mobile. It is therefore understandable that although the choice to embrace the digital age is no longer a choice, it is up to each bank to choose its directions in terms of strategy and therefore the related organisation.

The impact on the professions will be significant. As we have seen, all sectors will need to evolve, to lesser degrees. A true reassessment is necessary in order to draw the contours of the bank of tomorrow. This business sector will need to show boldness to retain its place. New entrants will disrupt the market and deregulate a portion of the currently highly focused activity.

As such, beyond the organisations, processes, or implemented tools, it is mainly the need for leadership that must prevail.

To deal with this evolution, managers will need to be visionaries and take a step back to understand the permanent changes to their environment. To motivate and support them, new modes of actions in human resources are to be devised to control the human impact.

The challenge for banks is therefore to understand or even better appropriate the impacts of digital in order to preserve the balance between economic performance and social performance.

Appendix

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