

# DIGITALISATION CASE STUDY

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# DNB

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EUROPEAN  
REGIONAL  
DEVELOPMENT  
FUND

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**InnoCAPE**

## Digitalization Case Study

### Company: DNB

DNB is Norway's largest financial services group and one of the largest in the Nordic region in terms of market capitalization. The Group has close to 7000 employees, and is Norway's oldest private bank, established in 1822. The Group offers a full range of financial services, including loans, savings, advisory services, insurance and pension products for retail and corporate customers. DNB's bank branches in Norway, in-store postal and banking outlets, Post office counters, Internet banking, mobile services and international offices ensure that the company are present where their customers are. DNB is a major operator in several industries, for which the company also have a Nordic or international strategy. DNB is one of the world's leading shipping banks and has a strong position in the energy sector, and the fisheries and seafood industry.

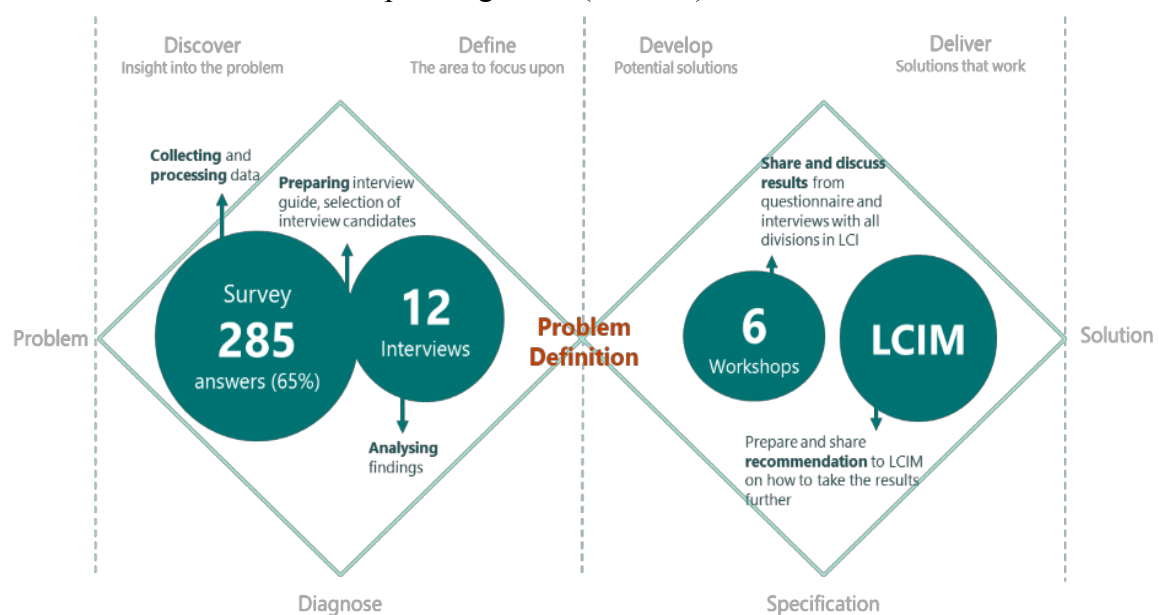
### Reasons for digitalization

DNB is a very modern financial institution, and particularly the personal and SME bank services are fully digital. At the same time, the bank services for large international enterprises are mainly people based, and it was felt that this business area had some potential for improved customer experience related to applying digital technologies as part of their service offering. The business area for large international enterprises (Large Corporates International – LCI) therefore wanted to get more insight into how managers and employees perceived the digital maturity of the business area, and based on this, identify measures that needed to be implemented to increase the digital maturity of the business area.

### Description of the solution or a policy and a project

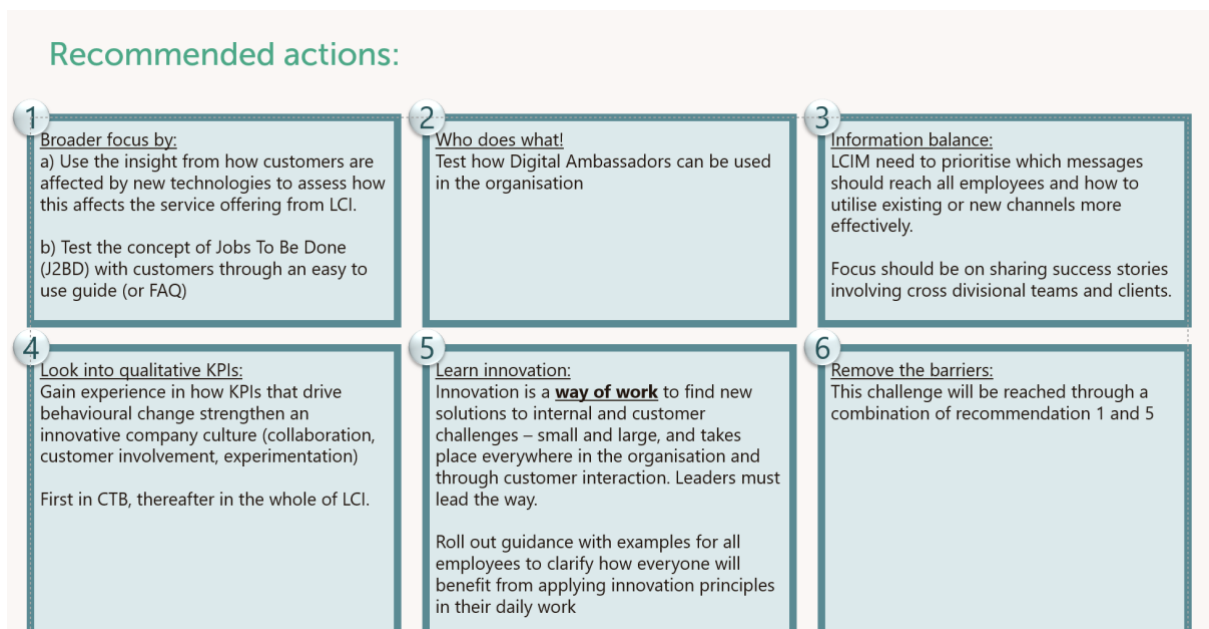
The solution chosen by the company was to apply a wide-ranging process where all employees and manager in the chosen business unit were engaged. This engagement process consisted of five main phases (duration)

1. Preparations, contract negotiations and problem definition (6 weeks)
2. Survey (4 weeks)
3. Interviews (2 weeks)
4. Workshops with middle management (4 weeks)
5. Recommendations to top management (2 weeks)



1. Preparation
  - a. Establish a contract and agree on remuneration and scope of work. An important part of this was to establish a data-processing agreement
  - b. Identify ownerships to the recommendations and relevant client resources that would act as an internal project manager
  - c. Prepare a project plan
  
2. A survey to map a representative number of employees' impression of the digital maturity of the business area.
  - a. This was done through a survey developed by Digital Norway covering 4 main areas: leadership and management, competence and way of work, customer engagement, and collaboration with partners. During the initial process, while maintaining the intention of the survey statements, the statements were adapted to fit the language used by the organization
  - b. To distinguish replies coming from different groups of employees, metadata was collected as part of the process. This included their role in the organization (manager, sales, admin, ...), and the organizational structure the respondent belonged to
  - c. The survey was sent to 440 (about 60%) of the employees in the organization, and we received 285 replies - a reply rate of 65% - a rate the company rated as "high"
  - d. The results were analyzed and grouped according to organization structure. Results for units with fewer than 5 employees were reported as part of the parent organization. Based on the survey and analysis, several hypotheses about potential areas of improvement to increased digital maturity were identified.
  
3. Interviews of selected employees to test the hypothesis
  - a. Based on the hypothesis of potential improvement areas, an interview guide was prepared, and 12 employees from the organization were identified to cover a wide range of replies, roles and organizational belonging
  - b. The interviews lasted for about 1 hour and were conducted during one week on the premises of the company
  - c. A main finding from the interviews was the openness of the candidates, and most of the hypothesis were confirmed, along with deep insight on underlying issues
  - d. One important aspect of the interviews was to identify statements from employees that would underline the findings from the survey. This makes the message much stronger when conducting the next phase: workshops with middle management
  - e. Based on the interviews, findings within 5 areas were identified
    - i. Lack of formal training and/or involvement related to digitization
    - ii. Difficult to involve customers in the development process
    - iii. Conservative leadership style in terms of new thinking
    - iv. Red tape when initiating proposals for change or improvements
    - v. Internal information overload
  
4. Workshops with middle management

- a. The results from the survey and interviews indicated some differences in replies and discrepancies in the main findings amongst the 6 main units within the organization. This was as expected and planned for, and the feedback to each of the main units were grouped accordingly
  - b. These workshops had two intentions:
    - i. To share the findings from the survey and interviews and get the management views on this
    - ii. To identify possible mitigating actions as input to the recommendations process
  - c. Based on the insight from these workshops, a set of final recommendations were prepared
5. Recommendations with final report - workshop with top management
- a. Based on the process with the business units a set of recommendations were prepared for the business are management. These recommendations were related



to the main findings outlined above, and for each of the, a separate background note where the survey results, statements from interviews and reflections related to workshops in the business units were collected and made available as part of the implementation plan

### ***Implementation process***

Implementation for each of the recommendations were allocated to the managers in the most relevant business unit. A clear timeframe was set on implementation, and a small team were allocated necessary resources. One of the recommendations required establishment of a new role within each of the business units, and as part of the implementation process, a role description was prepared, and candidates identified.

Since many employees in the organization had been involved in the process, they also had some expectations to be involved in both knowing of, and implementation of the recommendations. An internal newsletter was therefore issued, thanking everyone for their



effort, stating the recommendations, and presenting the implementation plan and those responsible for taking it forward.

### ***Challenges and funding***

#### ***Contract phase***

The main challenge arose during the initial contract phase of the project. As part of conducting a survey, it was important to obtain information about employees of the company. The company naturally has a very strict policy for allowing any third parties with information about employee's information that was necessary to identify the role and organizations of the respondents. Important in this aspect is to mention that the tool we use to collect responses is called Horizon and is developed by the Norwegian company Conformat. The project was initiated at a time when the implementation deadline for GDPR was coming up, and very few companies had at that time established clear routines for how to ensure compliance with the regulation.

The solution was to establish a new data processing agreement between us, the Digital Innovation Hub and DNB, and between us and Conformat. The last which also underwent strict scrutiny by the purchasing department of DNB. In the end this proved to be well invested time and effort for us as having in place a robust data processing agreement with DNB that was known for their strict compliance policy. This resulted in reducing the barriers for subsequent jobs.

#### ***Survey***

When conducting a survey one always runs the risk of a bias in the answers related to be better than the neighbouring unit. It is also a challenge that leaders of business units want to look good towards their managers. This was mitigated in the way the survey was formulated. Quite a lot of effort was put into making the statements as neutral as possible, and the options for reply captured what type of activity the organization was supposed to perform rather than a scale ranging from "not satisfactory" to "very satisfactory".

Another challenge with surveys like this is that employees tend to have a bias in their reply when statements focus around their own knowledge and impact. This was mitigated by only providing statements where they were challenged to reveal their impressions of the organizations rather than their own role. A third challenge is to balance the statements in such a way that it was clear to the respondents on what they were supposed to reply to, and this making the replies comparable, and at the same time providing statements and options for replies that would encourage discussions and reflection.

The path chosen was to have statements that would encourage discussions and an indicator of the success was that employees expressed that "finally we have an opportunity to have a meaningful discussion about what it means to be a digital company"

### ***Financing***

The project was funded in its entirety by the client through a commercial agreement

### ***Impact / benefits***

The main benefit of running this project in the organization were an increased and common understanding of what it takes to succeed in using digital technologies to improve performance and value creation to customers. Another benefit was to have concrete actions that a majority

of the organization could agree to, a realistic implementation plan and individuals responsible for implementations of the agreed recommendations.

More specifically, a new role as digital ambassador was described and implemented in each business unit, allowing for more opportunities and visibility for ambitious employees. An interesting perspective from the interviews was that although DNB is a big corporation in Norway, it is a small bank in world scale and is therefore considered to be well positioned as agile and forward-looking.

### ***DIH activities (if any)***

The DIG in this was us Digital Norway developing this service in its entirety and managed the process, prepared the survey, analyzed the results, conducted the interviews, conducted the management workshop and provided the final report with recommendations to top management of the business area.

### ***Further Improvements***

At an early stage it was decided that only a selection of employees should receive the survey, and that the results should be aggregated at level 2 in the organisation.

In a subsequent delivery to another large organization, all employees were given the opportunity to reply, and the results were aggregated to the 3rd level in the organization. This gave much more solid foundation to base the recommendations on and resulted in even more engagement in the organization

### ***Digital maturity and assessment tools***

As part of the diagnosis phase, a digital maturity assessment tool was used to reveal how employees and managers view the digital maturity of the company. This assessment is based on 13 statements covering management, technological expertise, innovation and customers where the respondents are requested to provide their degree of agreement to each of the statements.

Category	Statement
Introduction	To what extent will digital technologies affect the company over the next five years?
Introduction	To what extent will digital technologies affect the business area over the next five years?
Management	To what extent does your immediate superior promote innovation and explore the use of new technologies
Management	To what extent does business area have incentives (KPIs/measurement parameters) that promote innovation?
Technology	To what extent is digitalisation changing the competence needs of the section?
Technology	To what extent does the section have resources with expertise on the use of new technology (such as Blockchains, AI etc.) in business operations?
Innovation	To what extent is your section responsible for innovation (improvement of existing products and services and new business models)?
Innovation	In your opinion, to what extent does business area work systematically to eliminate manual and repetitive tasks (e.g. credit and KYC processes)?
Innovation	In your opinion, to what extent does business area capitalise on available data in the development of new customer solutions? (In this context, data means internal customer information and relevant data from external sources.)
Innovation	To what extent should business area explore solutions that compete with our existing business model?
Customers	To what extent does the section focus on understanding how customers are affected by technological developments?

Customers	In your opinion, to what extent does the section involve customers in the development of new solutions?
Customers	How does business area distribute its products and services?

The result was collected and analyzed for each business unit. Examples below for the statements related to management:

*To what extent does your immediate superior promote innovation and explore the use of new technologies*

- 45% of respondents state that this is true to a great or very great extent
- However, the variation between sections is large, ranging from 25% in [one unit] to 64% in [another unit]
- Only 7% of respondents state that this is true to a little or no extent, but also here the variation is large, ranging from 1% in [one unit] to 14% in [another unit]

*To what extent does LCI have incentives (KPIs/measurement parameters) that promote innovation?*

- This is the question that has received the largest variation in responses. The impression from the interviews we have conducted indicates is that most KPI's relate to quantitative measures, while KPI's related to behavior and approach to innovation – that are more qualitative measures - seems to be lacking.

### ***Communication of the Case Study***

Digital Norway has developed article on the case study that will be published on its community which is national digital sharing and learning arena with over 2200 members working in the area of digitalization. Also, this article will be published on Digital Norway's website, and various social media channels such as LinkedIn, Facebook and Twitter which has further reach of over 5000 users specifically aimed at DIHs and public authorities responsible for policy making. The same article and posts will be re-posted using the social media and website across other ongoing EU projects of Digital Norway and INNOCAPE social media channels.