Technology Strategy - Innovating for Growth of ANZ Bank

CHAO CHAO CHUANG
Hsing Wu University, New Taipei City, Taiwan
Email: chao5639@ms68.hinet.net

FU-LING HU
Hsing Wu University, New Taipei City, Taiwan
Email: frannyhu@yahoo.com

Abstract

From a business perspective, ANZ technology strategy has positively influenced the organization performance both financially and non-financially. It has enhanced efficiency, connectivity, increased customer satisfaction and employee retention. ANZ's overall performance has been enjoying positive trends over the past years, which can be strongly attributed to its development and investment in high technology infrastructure and complicated applications such as cypher cloud. ANZ firmly believes that building their technology competencies will be a competitive strength. With its technology vision "Automated, seamless, straight-through processing, E-banking with a human face', ANZ technology infrastructure enables complex integration like CRM system to operate effectively. Besides, by using its technology and innovation to facilitate customer service and new business propositions, ANZ has worked to implement its Super Regional Strategy –a bank of global quality with regional focus.

Key Words: ANZ Bank, Technology Strategy, CRM System.

Introduction

ANZ is an international banking and financial services organization based in Melbourne, Australia. It builds itself through rapid market expansion and acquisitions over the years to become one of the Asia-Pacific Region's largest financial institutions. ANZ takes pride in being "a different bank" addressing more active roles in the community and the environment it serves. To date, ANZ Group has operations in 32 countries and serves more than eight million customers worldwide, with principal markets in Australia and New Zealand and the growing markets of the Asia Pacific Region, Middle East, Europe and the US(Marketline, 2013).

Its unique portfolio of specialized businesses offers a full range of financial products and services, including mortgages, credit cards, corporate lending, asset finance, and more sophisticated investment banking products. ANZ has positioned itself as one of the leaders in technological advancements and innovations in the banking industry. Its technology vision is "Automated, seamless, straight-through processing, E-banking with a human face". ANZ technology infrastructure enables complex integration like CRM system to operate effectively.

ANZ's CRM System

ANZ's CRM system integrates various business units, processes, and managerial skills. Its CRM system is one tool to maintain a competitive position in the market especially in Internet Banking services. CRM

system enables ANZ's Internet Banking to become one of core strengths and expand its market share since it started operating in 2010.

CRM system connects ANZ's business partners. The connectivity enables a systematic operation between the front office workers and support office workers. Sharing of information and knowledge between all business units facilitates department to department communication and e-customer service. On e-customer service, a phone-based help desk is open 24/7. ANZ keeps a large database of its customers and uses this database to develop marketing opportunities.

CRM Works in a Loan Application

At ANZ, the integration of front office and back office functions enables quick turnaround time for customers. On-line processing of loans is one of the ways that ANZ sustains its competitive position. Personal loan applications are completed on-line. A loan application made at any front office is processed at the back office subsidiary. Background checks on customers via the internet are completed with the Credit Bureau to avoid delays with loans processing(ANZ Bank, 2013).

CRM is also related to knowledge management which enables effective problems solving and decision making. It allows loan officers to identify potential defaulting and high risk customers and do customer profiling which in turn increases staff productivity. Employees are able to close more deals with increased customer satisfaction, loyalty and retention.

An effective collaboration and management of people, processes, culture, and working environment is essential to implementing a successful CRM system. The home loan case study demonstrates how the integrated CRM system works in ANZ. Effectiveness of the process reflects participatory interactions among business units in ANZ in carrying out a single task (Deogratias, 2012).

CRM and Knowledge Based Management

Enterprise Knowledge Portals (EKP) are the doorways into many knowledge management systems. ANZ e-transformation vision directs the bank in a very important route using its technology capabilities to offer employees and other users' better chance to create and share information. This can be done through its intranet server where employees exchange and share information. In Australia and New Zealand, ANZ has recently launched new products like Money Manager, a money managing program that uses social networking sites such facebook, as a means whereby clients can share information with the bank or others.

Digital ANZ Bank

ANZ has introduced a major investment program. The 'Banking on Australia' program includes upgrading ANZ's distribution networks, simplifying products and processes, providing customers with additional mobile and flexible banking options, and improving the capability of front-line staff (CRM Innovation, 2013). Moreover, there will be significant investment in online channels, which will include the introduction of live chat on anz.com and other services to improve the overall digital Australia and New Zealand Banking Group Ltd.

Other key initiatives include: the launch of first Australian banking app, trial of ANZ mobile wallet using NFC technology on Android devices, introduction of the 800 'next generation' ATMs into branches, allowing 24-hour access to many traditional teller services, and the launch of ANZ FastPay, a mobile banking app that allows small businesses to manage their cash flow by securely processing same day settlement of credit and debit card payments using an iPhone or iPad.

IT Offshoring Challenge

ANZ bank has wrestled with 32 regulators around the world to build out an efficient private cloud. ANZ's information technology team has spent the past three years building out a globally consistent approach to people, process and technology. The goal is to provide a seamless experience to any customers moving between its 32 geographies. ANZ builds a global approach to do payments and integrate data. So as a customer of ANZ, he will be recognized by ANZ regardless of which region he is in. ANZ currently operates six data centers globally, including two in Australia and one each in New Zealand, Singapore, Indonesia and Taiwan. Its technology team has virtualized 40 percent of ANZ's infrastructure, with a view to hosting 80 percent of its services in a private cloud environment.

ANZ enjoys economies of scale through its private cloud, and this has allowed ANZ to reduce cost while providing scalability, speed, and resilience (David, 2013). ANZ's private cloud currently supports 2000 virtual desktops for ANZ Wealth, with the group's entire 60,000-desktop fleet to be converted to virtual desktops by 2015(Liz, 2013).

Build up Cypher Cloud Strategy

ANZ also established a group-wide cloud computing policy. The policy was developed in the wake of a September 2011 review by Australian banking regulator APRA but shaped by the more stringent requirements of the Monetary Authority of Singapore(MAS). ANZ thinks salesforce CRM could be quite useful in Australian businesses but ANZ wants to do things globally consistently. So ANZ describes cloud CRM as "a fantastic product".

ANZ describes its target environment as a "cypher cloud", for which any customer data would be encrypted and depersonalized before moving to public cloud environments. So ANZ never can compromise customer data. Going forward, ANZ will overcome all the legislation and regulations in terms of privacy and location of data(Liz, 2012).

The Super Regional Strategy

ANZ's technology agenda has focused the followings: upgrades to infrastructure to support the bank's super-regional vision; the restructure and realignment of the bank's technology workforce; and the creation of the Super Regional Strategy-a bank of global quality with regional focus.

ANZ refreshes IT strategy

Connectivity

The Super Regional Strategy is a combined business and technology plan based on several concepts including greater connectivity through the provision of cross-regional customer services. ANZ bank has deployed a new network across the Asia-Pacific region to transmit data to and from customers, and prioritize business-critical traffic(Luke, 2011).

Customer Centricity

A 'joined-up' customer experience is at the heart of the customer centric ambition. ANZ unifies its regional customer information systems to make one, cross-regional information system called the single global customer registry. A single ID and portal proposition is for the customers and corporate clients.

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Information Based

The strategy also includes the concept of greater reliance on information — such as through the use of real time business analytics. Besides, information based technology principle also facilitates multi-regional regulatory requirements (ANZ 2013).

Integration & Standardization

Greater integration and standardization through developing systems and applications is scaled and used across the bank's regional businesses (Tim, 2013). Standardization operations will see the bank gear its IT focus towards minimum required effort for new deployments while aggressively virtualising its desktop fleet. .

Towards a Regional Strategy

ANZ has reshuffled its IT staffing capability to better support IT initiatives across the new regional strategy. The new strategy has also shifted ANZ's orientation to more of a shared, regional platform. The Super Regional Strategy had the goal of deriving 20 per cent of ANZ's profit from the Asia Pacific, Europe and America by 2012 and between 25 and 30 per cent of profit by 2017. ANZ outlined the three-step journey of 'Restore—Out perform—Transform' for achieving their goal.

The vision of ANZ's Super Regional Strategy was underpinned not only by tapping into the growth in the Asian region but also by the way in which ANZ would link its operations as 'One Bank'(Gary, 2013).

Uncomplicated Banking

ANZ's growth strategy hinges on the wider Asia Pacific region, believing the bank's future lies beyond the shores of Australia and New Zealand. Operating in 32 countries and speaking 19 different languages, ANZ wants to look like "one bank", and "provide a consistent experience for people wherever they come into contact with the bank."

Despite differences in culture, geography, language or business type, ANZ insists two things: uncomplicated; and focused on people. "Uncomplicated Banking" is about delivering products and services that are convenient, simplified and straightforward. Besides, ANZ describes its vision of a "people-shaped" bank as "one that shows respect and understanding for its customers".

The new aspiration is launched with a new brand name and logo. ANZ simplified the typography and adding a symbol, something the bank calls a "lotus**"**(The Financial Brand, 2011). The new logo was designed to appeal to the Banks increasing non-English customer base.

ANZ offers further rationale for its lotus symbol:

- The organic nature of the symbol acknowledges the core premise of ANZ business – growth.
- The three shapes signify Australia, New Zealand and Asia Pacific, Europe and America — the three regions coming together as one.
- The central human shape represents customers and ANZ staff — the driving forces behind ANZ.

Conclusion

Banking is about customer service in which the use of specific technology plays a key role to generate efficiency. Investment in technology would improve processes and customer service to differentiate ANZ.

During the next years, ANZ plans to focus on the following: implementing a single, global customer registry that integrates data feeds from its various, global systems; migrating to a standard infrastructure design and security and authentication layer; improving online and mobile banking offerings, supporting other mobile platforms and delivering a customizable online transaction portal; allowing enterprise customers to integrate banking services into their enterprise resource planning (ERP) systems through a newly-launched, cross-regional 'Transactive' platform; upgrading a trading system that would facilitate real-time information sharing, electronic broking, and automated hedging.

Technology is empowering customers and breaking down the financial services industry's supply chain. If ANZ is to deliver on its Super Regional aspiration, ANZ has to benchmark itself against global competitors and continue to invest in technology and innovation to facilitate new business propositions and provide superior service and compelling insights into customer needs.

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