Moving from the Business Strategy to Technology Strategy
(A Top-Down Approach to Strategy Development)

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Agenda

• Exam Question
• Precursor
• A Simple Reusable Pattern for Strategy Development
• Business Architecture / pattern Mapping
• Pattern Discussed using ING as a Case Study
  • ING
  • The Global Business Strategy Extract
  • Default Words Extracted From Strategy Extrapolating Technology Themes
    • Extrapolating – Technology Capabilities Assembling the Elements
• Extrapolating – Technology Capabilities
• Final Message
How do we develop the ICT Strategy so that it aligns to the Mission, Goals & Objectives as documented in the Corporate Strategy?

*Remembering Your Strategy is in essence a request to use organisational resources (people, money etc) to achieve a set of defined outcomes*

**Approach**
- Reusable Approach

**What**
- Artefacts can / should we produce that add value
- Questions we need to ask

**How**
- So how do we produce an IT Strategy which is traceable back to the Business Strategy?
Some Precursors

- Understand the Technology ecosystem
- Understand the trade-offs in terms of time and capital.
- Appreciate, if any, the on-going technical debt being accrued by the business
- The Regulatory Compliance required in your markets by the Business.
- Be aware of the unknown knowns i.e. Shadow IT
- awareness of Competitor/New Market Entrants use of Technology
- Disruptive Market Forces at play in your industry
- Mandatory reporting – financial / regulatory
A Simple Reusable Pattern

From Business Strategy to Technology Realisation

Business Strategy → Keyword Extraction → Technology Themes → System Capability Matrix → Technology Investment → Control/Execute/Monitor

Top Down

Bottom UP

Maintain
Adapt
Shape
Bin
To demonstrate the use of the Pattern we will use ING the Dutch multinational banking and financial services corporation headquartered here in Amsterdam as our case.

ING’s primary businesses are retail banking, direct banking, commercial banking, investment banking, asset management, and insurance services.
## Example Keyword Extraction

### Contents

**Report of the Executive Board**

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- Parent company annual accounts: 369

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**Source:** ING Website  
Looking For Key Words – To Map to Themes

Regulatory Environment
Digitisation and Interconnectivity
Innovation and Transformation
Customer Privacy
Governance & Culture
Climate Change

Trending themes
Material topics
Our approach and performance

The economy and regulatory environment
Financial performance
Performance highlights table in ‘MG at a glance’

Innovation
Innovation section of ‘Innovation and transformation’

Usability and accessibility of our products
User experience section of ‘Innovation and transformation’

IT systems and platforms
Reliability and stability section of ‘Innovation and transformation’

Data and IT
Data ethics section of ‘Innovation and transformation’

Customer privacy
Orange code section of ‘Our people’

Business ethics and culture
Business ethics risk culture section of ‘Our people’

Climate Change
Responsible finance section of ‘Our Business’

Business Model

Products and services
Sales and distribution
Fees and income

Clean and easy
Keep getting better

Against: anywhere

Empower

Group Annual Report 2018

We must understand which topics are most important to our stakeholders and how they impact our business and have an impact on us. We then need to understand the regulatory environment: qualitative and quantitative research on how the economy and regulatory environment influence our business risks and opportunities that influence our ability to create value for our customers. We then need to consider the impact of all these factors on the internal and external stakeholders expect us to focus on. Results of this research are reflected in our strategic business decisions and priorities in this report.

This chapter will touch upon four questions that have been central to our strategy this year: what is the economic and regulatory environment, innovation and transformation, data and IT, governance and culture. The following chapter presents an overview of each topic and reflects how our performance on each topic and the impact of these priorities has been reflected in our financial performance, and how these priorities are reflected in our business. See the ‘Independence and assurance report’ for further details.

In this chapter, you can read more about:

- The innovation and transformation
- Data and IT
- Customer privacy
- Governance and culture
- Climate Change

We will also touch upon the following topics:

- The economy and regulatory environment
- Innovation and transformation
- Data and IT
- Customer privacy
- Governance and culture
- Climate Change

Each of these topics is explored in detail in this chapter, providing insights into how we are addressing the challenges and opportunities associated with innovation and transformation, data and IT, governance and culture, and climate change.

We are committed to ensuring that our business is sustainable and resilient in a rapidly changing world. As a leading global technology company, we are committed to driving innovation and transformation, and to ensuring that our business is aligned with the needs of our customers and the wider community. We are committed to being responsible and ethical in all that we do, and we are committed to ensuring that our business is transparent and accountable.

In this chapter, we will explore how we are addressing the challenges and opportunities associated with innovation and transformation, data and IT, governance and culture, and climate change. We will also provide an overview of our financial performance, and how we are aligned with the needs of our customers and the wider community.
Our strategy and how we create value

When launched in 2014, the Think Forward strategy enabled a number of challenges and opportunities. In today's financial services market, it is clear that the transformation of ING is the engine that powers our business into the future. The strategy is built on the core idea that customer experience is the foundation of successful transformation. It is guided by a philosophy of innovation and change, adopting an agile and customer-centric approach. The strategy is focused on creating a customer-centric business, with an emphasis on simplifying and streamlining processes, improving customer experience, and enhancing innovation.

The strategy is focused on three main areas: customer experience, innovation, and agile and customer-centric approach. The strategy is focused on creating a customer-centric business, with an emphasis on simplifying and streamlining processes, improving customer experience, and enhancing innovation.

Customer Experience

The strategy is focused on creating a customer-centric business, with an emphasis on simplifying and streamlining processes, improving customer experience, and enhancing innovation.

Innovation

The strategy is focused on creating a customer-centric business, with an emphasis on simplifying and streamlining processes, improving customer experience, and enhancing innovation.

Agile and Customer-Centric Approach

The strategy is focused on creating a customer-centric business, with an emphasis on simplifying and streamlining processes, improving customer experience, and enhancing innovation.

We are transforming Mobile Devices Channel of Choice Growth Geography Customer Experience Analysis Customer Data Management Develop Data Analytic s

Transf orming Mobile Devices

Channe l of Choice

Go to Platform

Partner ships

Global Pla tform

Model Bank

Customer Experience

Insights

KYC

GDPR

Develop Data Analytics

Data Management

Our strategy on a page

- Customer Experience
  - Customer Channel
  - Data Management
  - Develop Data Analytics

- Innovation
  - New Services
  - New Ways of Working

- Technology
  - Innovation
  - Digitalization
  - Interconnectivity

- Customer Experience
  - Customer Channel
  - Data Management
  - Develop Data Analytics

- Innovation
  - New Services
  - New Ways of Working

- Technology
  - Innovation
  - Digitalization
  - Interconnectivity

- Customer Experience
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- Innovation
  - New Services
  - New Ways of Working

- Technology
  - Innovation
  - Digitalization
  - Interconnectivity

- Customer Experience
  - Customer Channel
  - Data Management
  - Develop Data Analytics

- Innovation
  - New Services
  - New Ways of Working

- Technology
  - Innovation
  - Digitalization
  - Interconnectivity

Elements of our strategy

Our Think Forward strategy is built on the core idea that customer experience is the foundation of successful transformation. It is guided by a philosophy of innovation and change, adopting an agile and customer-centric approach. The strategy is focused on creating a customer-centric business, with an emphasis on simplifying and streamlining processes, improving customer experience, and enhancing innovation.

Our strategy aims to

- Create a differentiated customer experience
- Serve changing customer needs
- Streamline and simplify our business model
- Innovate and transform our business

Our strategy is based on the following principles:

- Customer-centric approach
- Innovation and change
- Agile and customer-centric approach
- Simplification and streamlining
Continuous Focus

Performant

Develop Employees

Innovation and transformation

To fulfill its purpose of empowering people to stay a step ahead in life and in business, it must continue to be where its customers are: on digital platforms. Our employees are on digital platforms: our own and others'. It's here we need to offer one consistently high-quality experience, one that is instant and borderless. The path here is to break down borders and become one family, by major role in this one experience. This chapter outlines platform ways. In innovation, however, we stand out...
Customer Experience

Omnichannel

Private Cloud

Manage Decision s

Technology

Wholesale Banking TBM, further digitising and standardising Wholesale Banking products, processes and customer experiences across all continents.

Shared Service

Touchpoint Architecture (TPA)

Security

Performance

Open Technology

Complex transformation initiatives

Digital transformation

In this very fast-paced digital transformation, banks are in a constant state of change. The traditional business models that have dominated the industry for decades are being disrupted by innovative technologies and changing customer expectations. As a result, banks are reinventing themselves to remain competitive and relevant in the digital age.

To effectively navigate this transformation, banks need to implement a comprehensive approach that includes the following key elements:

1. Digital Strategy:
   - Develop a clear and actionable digital strategy that aligns with the overall business objectives.
   - Identify key digital priorities and allocate resources accordingly.
   - Establish a digital governance framework to ensure alignment and accountability.

2. Technology Transformations:
   - Invest in state-of-the-art technology platforms that support agility and scalability.
   - Embrace cloud computing to reduce costs and improve operational efficiency.
   - Enhance cybersecurity measures to protect sensitive customer data.

3. Customer Experience:
   - Focus on delivering exceptional customer experiences through omnichannel approaches.
   - Utilize data analytics to personalize offerings and optimize customer interactions.
   - Foster a culture of innovation and experimentation to drive continuous improvement.

4. Organizational Change:
   - Foster a culture of agility and continuous learning to adapt to the rapidly changing market.
   - Empower employees to embrace technology and drive innovation.
   - Align organizational structures to support a digital-first mindset.

By implementing these strategies, banks can successfully navigate the transformation journey, ensuring they remain competitive and relevant in the digital age.
Artificial intelligence and robotics

RIG is accelerating the integration of robots and artificial intelligence to help customers and RIG remain a step ahead. Customer increasingly are using AI-supported services such as Amazon’s Alexa and Google Home. They expect more predictive capabilities in their products and services, so meeting that customer demand is important.

The bank established a Global Analytics Unit in 2018 aimed at speeding up analytical capabilities and transforming RIG into a truly data-driven company. Examples of recent projects include machine learning and data mining and transaction monitoring, the use of chatbots and webbots, use of text mining techniques to improve efficiency in back-office operations and risk models to improve the efficient use of capital.

Cybercrime resilience

Distributed Denial of Service (DDoS) attacks are increasing in size, frequency, and cost, and attacks against banks have increased in magnitude and new techniques and global developments are monitored in close cooperation with other banks and good practices.

Preventive measures are in place for RIG data centers and organizations. DDoS attacks are continuously tested.

The element language and specialist personnel client risk are carefully monitored. Preventive measures are taken where needed. Cyber-resilience is a part of standard risk governance processes.

Cybercriminals are increasingly using advanced malware to gain access to the IT systems of banks and their customers. New strategies to increase the risk for users and applications have been implemented to strengthen malware resilience and to prepare for opening under the European Payments Directives (PSD2).

Customer Experience

Cyber Crime

Threat Landscape

Robotic Processes

Innovation

Chatbots

API Platform

Open Banking

How we innovate

Innovation culture

RIG is a tech-savvy and process-oriented bank, with a strong focus on innovation and development culture. RIG is known for its commitment to innovation and development, and the bank has been consistently ranked among the top banks in the world for its innovation efforts.

In 2011, the bank introduced an innovative programme to encourage employees to innovate in their own roles. The programme, known as the “Innovation Platform,” was launched to help employees develop new ideas and solutions, and to foster a culture of innovation throughout the organization.

Innovation is a strategic priority for RIG, and it is committed to ensuring that its employees are equipped with the skills and tools they need to help identify and develop new opportunities for the bank.

In 2018, RIG launched a new platform that enables employees to submit ideas and projects, and to collaborate with others across the organization. The platform is designed to make it easy for employees to share their ideas and to receive feedback from colleagues and managers.

RIG also provides training and development programmes to help employees develop their skills and to ensure that they are equipped with the knowledge and tools they need to be successful in their roles.

RIG’s commitment to innovation is reflected in its focus on developing new technologies and solutions, and in its dedication to delivering the best possible experience for its customers.

Our ambition is to become the go-to platform for financial needs, offering the best and most relevant products, even if some of those are not our own.
Default Words Extracted From Strategy

- Data Management
- Develop Data Analytics
  - Insights
  - KYC
  - GDPR
- Go to Platform
- Partnerships
- Global Platform
- Model Bank
- Privacy
- Efficiency
- Innovation
- New Services
- New Ways of Working
- Transforming
- Mobile Devices
- Channel of Choice
- Growth
- Geographic
- Customer Experience
- Analysing Customer
- Continuous Focus
- Performant
- Develop Employees
- Platform Thinking
- Growth
- Connectivity
- Omnichannel
- Private Cloud
- Management Decisions
- Shared Service
- Security
- Open Technology
- Customer Experience
- Cyber Crime
- Chatbots
- Threat Landscape
- Robotic Processes
- Innovation
- API Platform
- Open Banking
## Extrapolating Technology Themes

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<th><strong>Develop Data Analytics</strong></th>
<th><strong>Go to Platform</strong></th>
<th><strong>Partnerships</strong></th>
<th><strong>Global Platform</strong></th>
<th><strong>Model Bank</strong></th>
<th><strong>Privacy</strong></th>
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<tbody>
<tr>
<td>• Collection</td>
<td>• Insights(Big Data)</td>
<td>• Service Exposure</td>
<td>• Service Consumption / Exposure</td>
<td>• Follow The Sun Support Model</td>
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<td>• Customer System</td>
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<td>• Extraction</td>
<td>• Load</td>
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<td>• Transformation</td>
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<tr>
<td>• Cost</td>
<td>• Product</td>
<td>• Disruptive</td>
<td>• Pervasive</td>
<td>• Market?</td>
<td>• Mobile Banking</td>
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<td>• Data Analytics</td>
<td>• Dynamic Change</td>
<td>• Response Times?</td>
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<td>Planning</td>
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<th><strong>Connectivity</strong></th>
<th><strong>Omnichannel</strong></th>
<th><strong>Private Cloud</strong></th>
<th><strong>Management Decisions</strong></th>
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<tr>
<td>• Systems Thinking</td>
<td>• Network</td>
<td>• cross-channel content strategy</td>
<td>• Hosting</td>
<td>• Data Centric (lakes)</td>
<td>• Hosting</td>
<td>• Internal, External, Customer, Staff</td>
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<td>• Customer Service</td>
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<th><strong>Cyber Crime</strong></th>
<th><strong>Chatbots</strong></th>
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<th><strong>Innovation</strong></th>
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<td>• Definition</td>
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<td>• Management</td>
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<td>• Sharing</td>
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Extrapolating – Technology Capabilities

Data Management
- Analytics
- Web Rankings (Go to Platform)
  - Search Rankings
  - Social Media Rankings
- API Interchange
  - Service Consumption / Exposure
- Global Platform
  - End User Support
  - On-Demand Processing
- Bank in a Box
  - Model Bank
- Privacy

Efficiency
- Service Not a Capability

Innovation
- Service Not a Capability

New Services
- Approach / Not Capability
- Pervasive

New Ways of Working
- Transforming
  - Approach / Not Capability

Transforming
- Mobile Devices Management
- Channel of Choice
  - Aspiration not Capability

Global Platform
- End User Support
- On-Demand Processing
- Model Bank

Customer Journey Support Customer Experience
- Customer Service Improvements

Analysing Customer
- Data Analytics

Continuous Focus
- Dynamic Change
- Agile

Performant
- Response Times?

Develop Employees
- HR Systems

Platform Thinking
- Systems Thinking

Connectivity
- Network

Omnichannel
- cross-channel content strategy
- Customer Service Improvements

Private Cloud
- Hosting

Management Decisions
- Data Centric (lakes)

Shared Service
- Hosting

Security
- Internal, External, Customer, Staff

Open Technology
- Customer Experience

Cyber Crime
- Security Capability
- Fin Crime

Chatbots
- Threat Landscape
  - Analysis / Identification and Protection
  - Security Capability

Robotic Processes

Innovation

API Platform
24 * 7 Operations
- Open Banking

Technologies

Services
- Core banking Development
- Data Management
- Global Retail Solutions
- Wholesale Banking
- Building Blocks

Extrapolating – Technology Capabilities

API Platform

Extrapolating – Technology Capabilities

API Platform

Extrapolating – Technology Capabilities

API Platform

Extrapolating – Technology Capabilities

API Platform
Example - Financial Crime example for Domain / Capabilities Mapping

- Anti Money Laundering (AML) - Sanctions and Anti-Money Laundering Act 2018
  - Assisting another to retain the benefit of crime
  - Acquiring, possession and use of criminal proceeds
  - Concealing or transferring proceeds to avoid prosecution or a confiscation order

- Fraud - Fraud Act 2006
  - False Representation
  - Fraud by failing to disclose information
  - Fraud by abuse of position

- Bribery (The Bribery Act 2010)
  - Offences of bribing another person
  - Offences relating to being bribed (Function or activity to which bribe relates)
  - Improper performance to which bribe relates

- Terrorism
  - HM Treasury Notice 18/02/2019 on Terrorist Financing
  - Financial Anti-Terrorism Act of 2001

  - Inside information
  - Insider dealing and unlawful disclosure
  - Market manipulation
  - Disclosures
  - Insider lists
  - Suspicious transactions and order reports (STORs)
  - Managers' transactions

- Regulatory Compliance
  - GDPR
  - Measures to manage systemic risk
  - InsurTech

Capabilities:
- Detection
- Prevention
- Investigation
- Data Interchange
- Intelligence Stores
- Case Management
- Compliance
- Reporting
Assembling all the Elements

From Business Strategy to Technology Realisation / Executable Plan

Business Strategy → Keyword Extraction → Technology Themes → System Capability Matrix → Technology Investment → Control/ Execute / Monitor

Top Down: Realign, Recalibrate, Repurpose, Reposition, Remap

Bottom UP: Maintain, Adapt, Shape

Technology Dis-Investment

New requirements

Choke Point Analysis of the Technology Estate

Innovation

Scorecards

Market Analysis

Re-use, Extend, Refactor, Reform, Market Analysis
Example Table of Contents

Part 1- Business Drivers
- Assessment – Strategic / Operational
- Initiatives
- Value Streams
- Aligning the Business Strategy to IT Outcomes
- Business Themes
- Transposing the Business Themes into Technology Themes
  - Automate
  - Innovate
  - Collaborate
  - Optimise – Kill Complexity
- Architecture Principles
- Governance
  - Business
  - IT
- Policy & approach

Part 2- Technology Strategy
- Current Technology ecosystem
  - Shadow IT
  - Issues
- Drivers for Technology Transformation & Change
- Suppliers / vendors
- Target Model – Reference Architecture Canvas
- Capabilities Definitions
- Channels
- API / Data Interchange
- Process Automation / Robotics
- Compliance / Reporting Information
- Capability assessment and Issues
- Target end-state architecture
- Proposed global standards
- Trajectory, Roadmap and migration scenario(s)
- Transition architectures
- Appendix
  - Systems Inventory by Domain
  - Maturity Levels Guide
  - Acronyms

Strategic Objectives
- Background
- Purpose of Document
- Intended Audience
- Intended usage and lifecycle
- Related documents
- Management
- Summary
Abridged

- Target Operating Model / Business Strategy (Corporate / Functional) provide the drivers for the Technology Strategy
- Technology Themes allow the Business to have Traceability between the ICT and the GOALS of the Organisation
- Dissecting the Themes to map to Future, Current and Innovation Capabilities that drive the agenda of the business forward at the least unit cost
- Splitting these capabilities into buckets allow the ICT BUDEGTS to me managed further
- Execution and keeping the lights on is the enabler for the business to continue functioning
- Top Down approach is NOT the same as Bottom up – Expect different results
Final Message

• Wise Rulers: Not restricting themselves to dealing with present threats but using every means at their disposal to foresee and forestall future problems as well

- Niccolò Machiavelli
Thank You

Website : www.s-ea-t.com (Tools, Papers Downloads)  
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