"It's the digital system, not the banker that's adding value"

Chief innovation officer (CIO) Ignacio Vilar of ING says it almost inadvertently while explaining how the bank can stay ahead of potential new competitors such as Google and Facebook by offering customers perfect service. "Twenty years ago, it was bankers who delivered the added value for customers. Now, it's the digital system. The question is how far you can immerse yourself in this system as a bank."

Asked whether everybody at the bank was equally happy with this view, Vilar – who, a few months ago, swapped his post as ING bank's director of retail in Poland for the post of CIO – quickly clarified his position. It used to be that the bank manager in the Spanish town of Alicante knew everything about Ignacio's father: the status of his mortgage, whether he planned to go on holiday soon or whether he was due a new car and so might need a loan.

Close to the customer

We now have a new way of getting close to the customer. Technology is helping ING to know just as much about its millions of customers and to maintain its relationship with them. "Digitalisation has enabled interaction with the customer to become commonplace. It is the job of the bank to offer the customer a 'wow experience' every time. But it's true that the emergence of the digital platform within the bank is sometimes difficult for staff."

Ignacio Vilar is exactly the kind of banker that CEO Ralph Hamers is keen to see in key roles in the bank. He is young, has climbed the ranks at ING, and since the beginning of his career, has combined financial and strategic roles. The fact that he started his career at ING Direct in Spain, a model without offices, with the telephone providing customer contact, also helps.

A lot has changed

Under Hamers, a lot has changed at the bank in the past year. After his predecessor, Jan Hommen, had restructured the bank – for example, foreign subsidiaries were sold off on the instructions of Brussels – Hamers' most important task was to turn ING into a flexible, growing and largely digital financial services provider. This project was called 'Think Forward.'

Tangible proof of this approach is the 'agile' system that ING has introduced in the Netherlands, along the lines of technology companies such as Google and Facebook. In this system, products are continuously and gradually improved instead of having large-scale restructuring every once in a while. But the new approach is also reflected in the growth of online and mobile customers, including at the ING-DiBa internet bank in Germany. At the same time, to cut back on costs, the back office is being further automated and streamlined.

Forty countries

The job of Vilar's department is to spread innovation across the forty countries in which ING operates, with innovation preferably coming from the countries themselves. Vilar's team then helps other countries if they want to launch a new service or system, because as Vilar says, the countries know what their customers want and need.

This does not alter the fact that new ideas are being generated from Amsterdam, including in the bank's ICEC innovation lab. Some of these ideas are coming via participations with external fintech businesses, but others are also emerging from within the business via the innovation bootcamp. One of the 'special experiences' that ING is currently focusing on is a new variation of the digital housekeeping book, with everything accessible via smartphone, because this is what connects customer and bank.

Competition?

Does Vilar expect players such as Google and Facebook to do something with payment transactions that banks can't? "Whether it's Google, Apple or Amazon, I view them largely as competitors of retailers. They are a platform with lots of customer relationships, as are we, and in that sense they are competition. These days, we have much more frequent contact with our customers than we used to. The best defence is to use that data traffic in the right way. To wow them."