

WHAT IS BIONIC BANKING?

By Lyndon Subroyen, Global head of Investec Digital

As the finance industry adapts to a world that is increasingly informed by technology and the digital age, the concept of 'Bionic Banking' is moving to the forefront.

This does conjure up images of a Steve Austin or Tony Stark, who attain super-human powers after being infused with special technology.

For bankers, this imagery can be quite appealing - clients clearly want a more digital experience, which inevitably places cost savings within reach of a bionically-augmented hand.

Who doesn't believe that it's more efficient to have clients use online platforms and mobile apps?

And therein lies the rub, because technology certainly does have the power to drive efficiencies and ease of use. But it's not a silver bullet that makes all client service headaches disappear. In fact, reliance on trends and analytics from client behaviour are more likely to blur rather than illuminate individual preferences.

Despite this, the concept of a Bionic Bank is one that financial institutions need to heed if they want to remain relevant in a digitally-focused world. The concept was first put forward by



Boston Consulting Group (BCG) and proposed that retail banks need to combine digital technology with a human touch in order to thrive.

BCG proposed six key elements to achieve this:

- A clear vision
- A multi-channel delivery model
- Client centricity
- Technology and operational excellence
- Organisational vitality
- Financial and risk control

The consultants went so far as predicting higher income and lower costs if banks adopted this model.

As anyone associated with the financial services sector knows, income and cost per client are vitally important metrics when measuring efficiency.

As a concept, BCG has certainly hit the nail on the head in terms of banks globally needing to find ways to remain relevant. Where our view differs from this, is that these guidelines place undue focus on internal processes, at the cost of the client experience. In the private banking context, this is a serious oversight.

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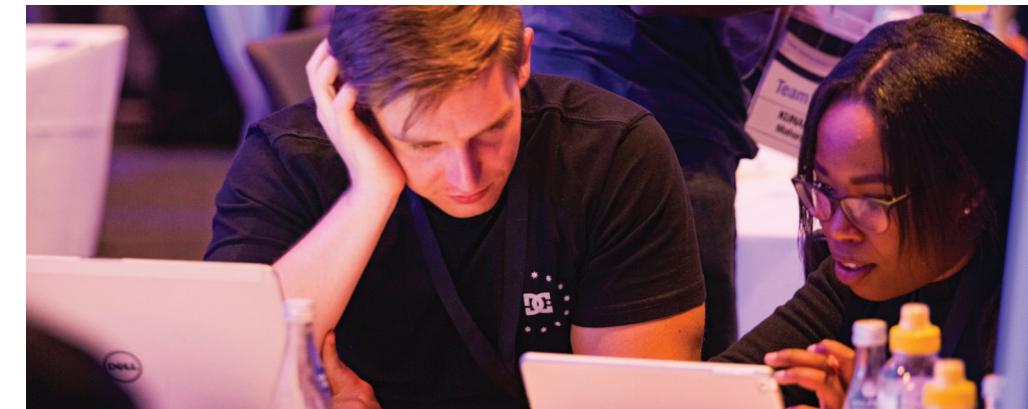
We believe in, and use, data analytics as much as any other financial institution, but never at the cost of clients' individual needs. The power of technology in this context is a guiding tool rather than a crutch used to prop up our ability to respond to client needs.

The only way that organisations can truly know their clients with real certainty is to have a very human relationship with them. No-one has yet managed to programme empathy and understanding into an algorithm. And the reason for that is obvious.

SUCCESS STORY

Postcards from the Revolution: Putting social change on two wheels

What happens when 200 young, creative and super talented entrepreneurs and social changemakers get together for 18 hours?



This, the first-ever Young Professionals Revolution, which was hosted by Investec Private Bank, together with partners Qhubeka and enke: Make Your Mark in March 2019.

The event saw 192 delegates come together to make a difference in the lives of this community. Through the night, they worked tirelessly in 40 teams to develop business plans that could be implemented with just a single asset, a Qhubeka Buffalo Bicycle, and a small amount of start-up capital. Representatives of Qhubeka and the Kagiso community were also there on the night.



Maps Maponyane was the host of the event. Vincent Hofmann, a co-founder of BetterWork SA facilitated the event and provided the design-thinking frameworks for teams to develop their ideas. Marnus Broodryk, entrepreneur and SA's

youngest judge on SA Shark Tank, gave an inspiring talk to the audience. Anthony Fitzhenry, the founder of Qhubeka, spoke of the challenges of the Kagiso community and the opportunities just one bike could bring.

In the coming months, 40 business plans will be handed over to entrepreneurs and small business owners in the township, which is near Krugersdorp on the West Rand.

The winning team, AgriExpress, created a business plan that aims to deliver compost and logistical services to local farmers. The team scooped a 5-day learning trip to London's design and innovation centres.

In second place, Beauty on a Bike aims to deliver quality products to local beauty salons and empower young women in Kagiso.

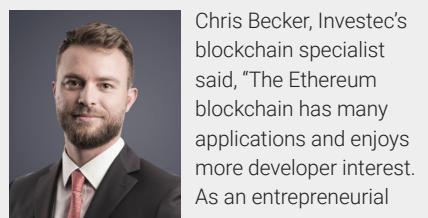
In third place, Fruits & Roots hopes to deliver fresh produce to communities through a direct supply chain.

Team AgriExpress went to London in July for their experiential learning trip and the bike handover with the business plan in place is due to take place later this year.

[IN THE NEWS]

Hackers focus on solving Africa's challenges through blockchain

Investec was a proud sponsor of the first ETHGlobal hackathon that took place earlier this year, with Africa's top hackers, developers and Ethereum co-founder, Vitalik Buterin, collaborating to develop their concepts into actionable solutions through the Ethereum blockchain.



Chris Becker, Investec's blockchain specialist said, "The Ethereum blockchain has many applications and enjoys more developer interest. As an entrepreneurial organisation that believes in collaboration, we want to partner with the individuals who are at the forefront of this innovative technology."

The result of the hackathon was the submission of 33 innovative projects, built in a limited time. These include:

- A voting application that, through its cryptography, ensures transparency. When a vote is cast and recorded on the blockchain, it will be impossible to tamper with.
- Solutions to enable every day and easy cross-border payments that use existing infrastructure to facilitate payments through a mobile phone or internet connection. This means that billions of unbanked and underbanked people globally would not need a traditional bank account or credit card to access online commerce and financial services.
- Through blockchain technology's open ledger, industries such as NPOs have a platform that enables them to operate transparently. These include Charity Transparency and Wild Cards.

