



# Mobile Banking: Evolution or Revolution

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# Challenging Environment ... The 6Cs

## Customers

Empowered and demanding  
Complex and confused  
Sometimes Malicious



## Competition

Non Bankers



## Computers

New Technology  
Network



## Costs

ROE (EU 0% vs AS 17%)  
Europe (68%=>46%)  
Outsourcing



## Compliance

Security and Frauds  
Laws and Regulations  
GRC



## Culture

Customer-oriented  
Balance the interests of shareholders and society  
Lean and agile

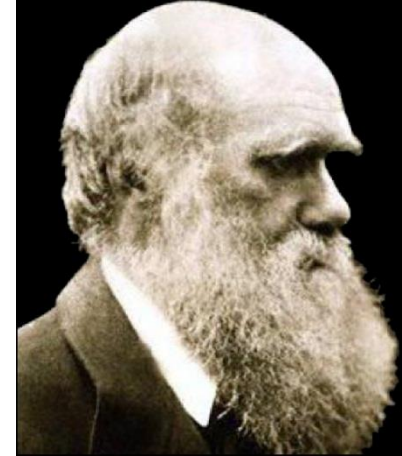


**Achieving financing processes in a leaner and more digitized manner**

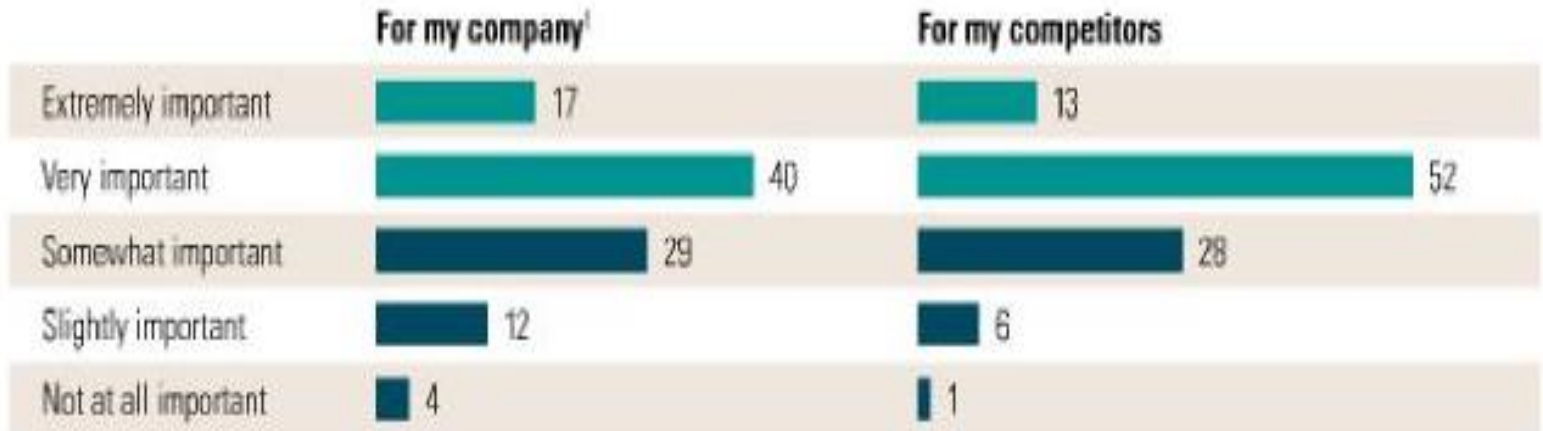
# Evolve or Die

**“It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.”**

*Attributed to Charles Darwin*



*How important have innovations been to meeting revenue targets over the past 1 to 3 years?*



<sup>1</sup> Figures do not sum to 100%, because of rounding.

Source: January 2007 McKinsey Quarterly survey of finance executives

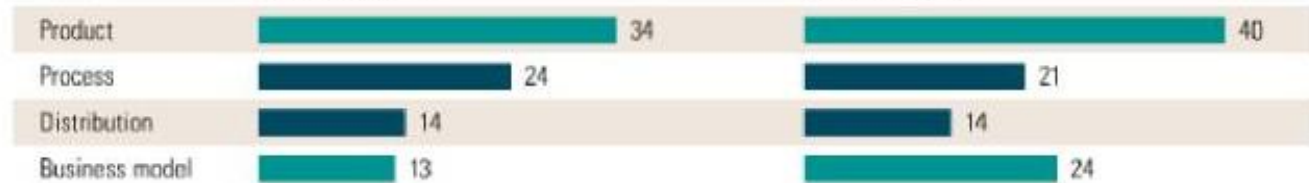
# Possible Innovations

- Products
- Processes
- Distribution
- Business Models



*To date, how has your company distributed its activities and investments among these categories of innovation?*

**Distribution of innovation activities and investments<sup>1</sup>**



*How important will each category of innovation be to your company's overall success over the next 3 years?*

**Most important category of innovation for next 3 years<sup>2</sup>**

<sup>1</sup> Figures do not sum to 100%, because respondents who answered "don't know" or "equal investment" are not shown.

<sup>2</sup> Figures do not sum to 100%, because respondents who answered "don't know" are not shown.

# Quite a Few Opportunities+ in the Mobile Arena

## Market

**1b un/under banked**

Need a low cost payment solution

## Media

**6b cellphones and smartphones**

No dominant payment structure

## Govt.

**Progressive Authorities**

Growing need for cashless

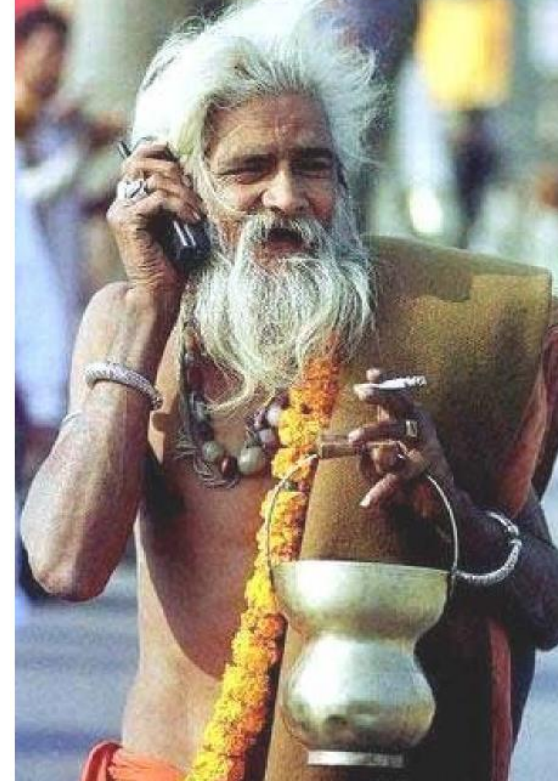
## Credit

**Fragmented retail sector**

Gift for top tier only



# Marriage between Mobile and Banking



Mobile banking is a banking service that operates outside the boundaries of traditional infrastructures (physical branches, distributors, and so on), by using mobile digital devices.

It can take different forms to support:

- Retail Banking
- Commercial Banking
- Wealth and Private Banking
- Payments

# Mobile Banking: A Disruptive Innovation

Product	Combines All types of Banking (Deposits, Payments, etc.)
Process	Combines different modes: biometrics, pictures, voice
Distribution	Branchless and Everywhere
Business Model	Partnership bx Telco and Financial Institutions

# Vision for mobile Banking:



**Objective**

**Giving customers faster, safer ways to bank on mobile devices**

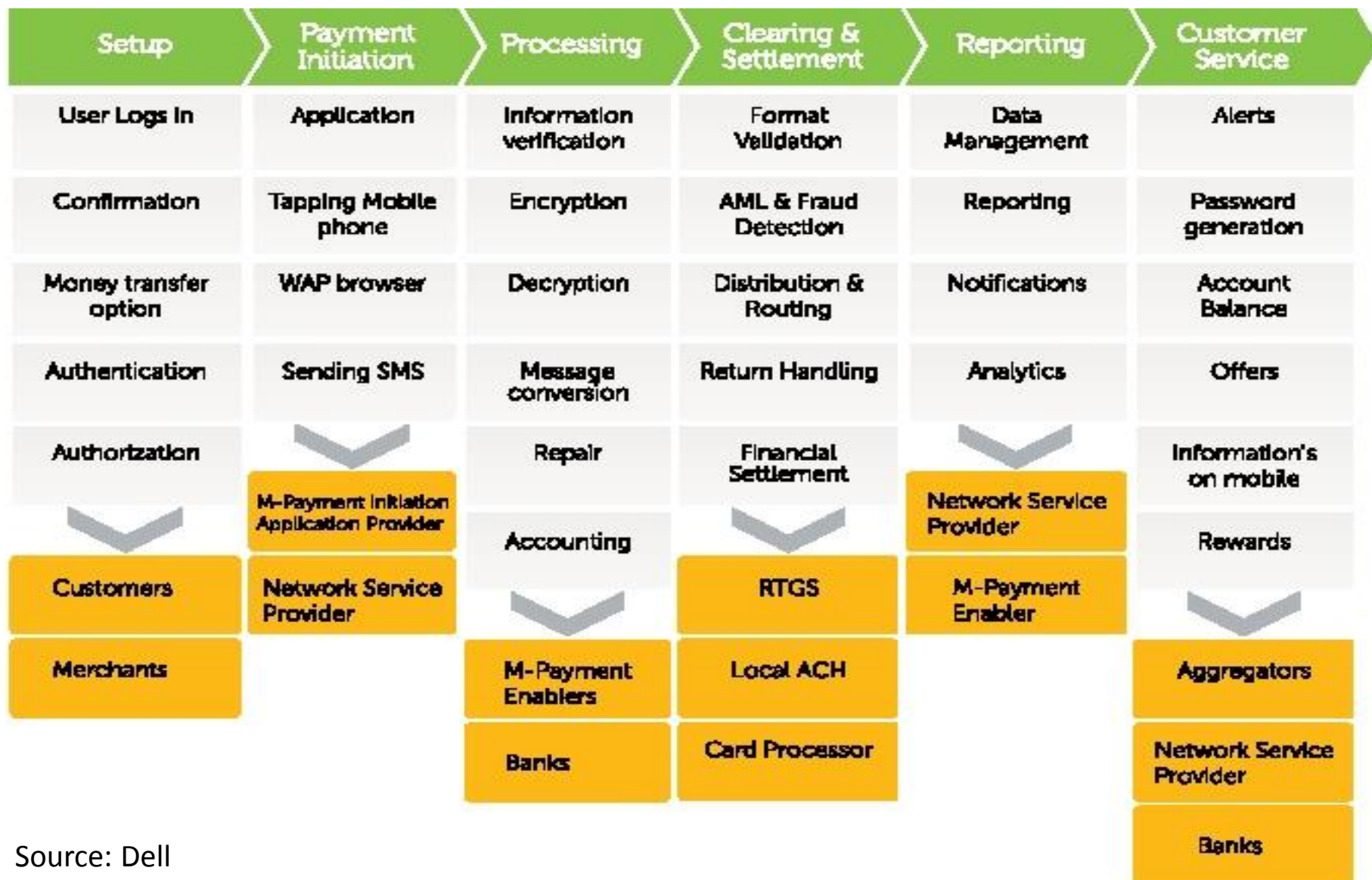
**and by  
2020**



**By 2020**

**1.5b Mobile Banking transactions\*  
50% of Visa transactions\*\* will be  
made via a mobile device**





Source: Dell

# Swot Analysis for Mobile Banking

## Strengths

- Everywhere
- Always with you
- Privacy

## Opportunities

- Young People
- Unbanked
- Underbanked

## Weaknesses

- Coverage
- Size of the screen
- Multiple OS

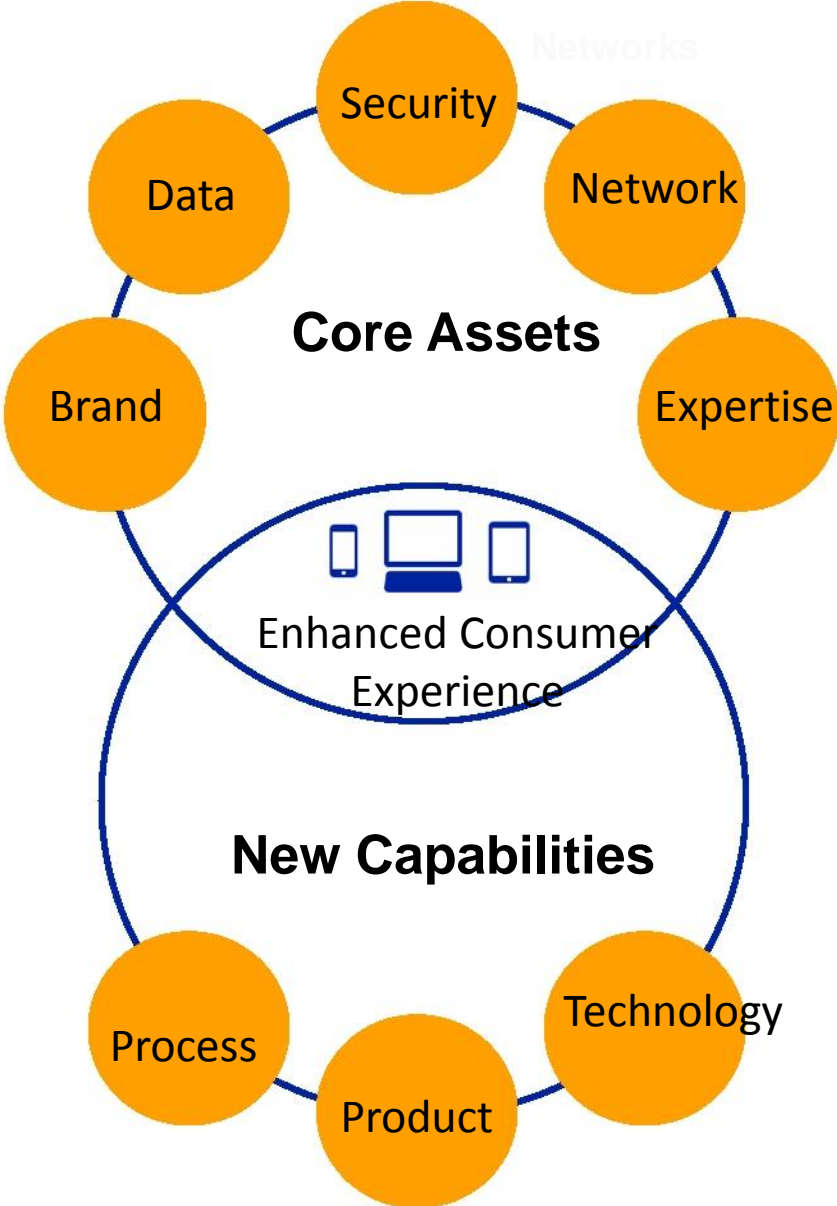
## Threats

- Device Lost or Stolen
- Latency
- Integration

# Enabling new Banking

Security  
Data  
Process

Networks



# A Disruptive Innovation: The "Mobile Banking Experience"



# Innovation for the m-Generation

Simplify

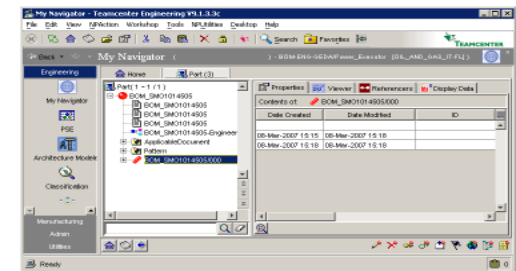
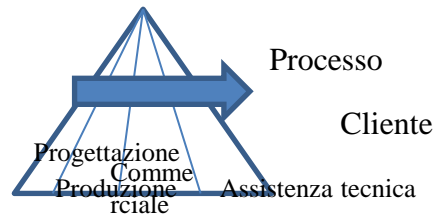
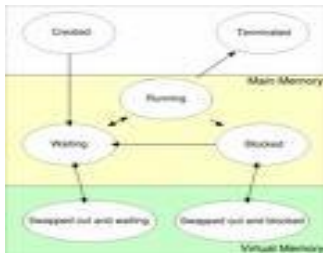
Add Value

Consolidate and Virtualize

Product

Process

Technology



***“Financial Services Organization can no longer let BPM pass...” Michael Hammer***



## Contactless payments are growing across Europe

**50**

million  
cards



**64**

acquirers

**83**

issuers

**15**

markets

**500k**

terminals

**26**

live

mobile NFC  
programmes

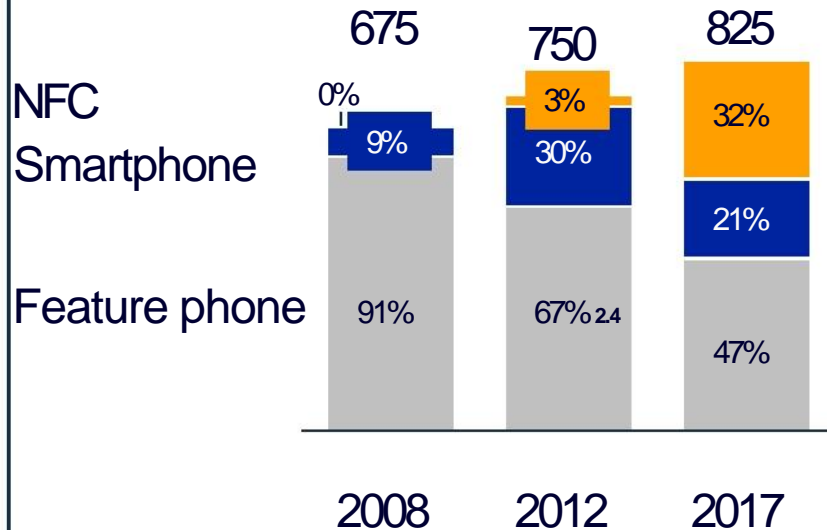
Transaction volumes **x5** in last year



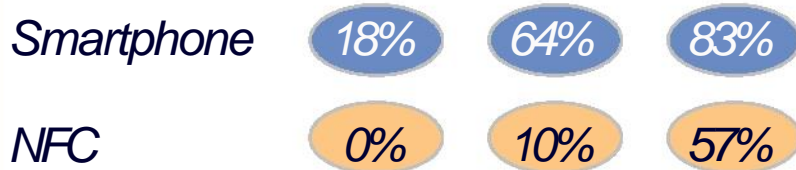


# NFC Enabled Smartphones are becoming visible

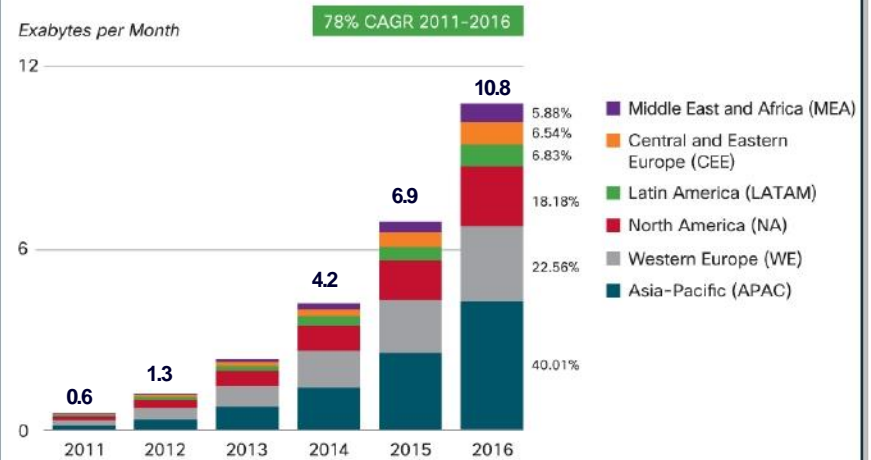
## European mobile phones installed base, million<sup>1</sup>



## Share in new device sales



## Global Mobile Data Traffic, Exabytes per Month<sup>2</sup>

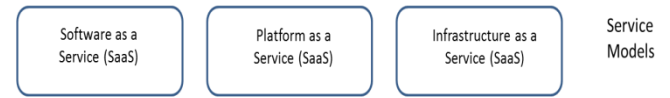


"Mobile connection speed to increase 6-fold with 4G impact by 2016"

"2011's mobile data traffic was eight times the size of the entire global Internet in 2000"

A Great Opportunity: Cloud Computing





# Cloud Computing

A New Paradigm. Providing ICT Services:

- Infrastructure, Platform, Application, Business Processes
- On Demand in a dynamic way
- Over Internet
- On Pay per Use
- Everywhere, Every Time, On Every Device

*CIOs' adoption of a "cloud first" strategy will double to 70% by 2016 as CIOs define architecture standards and service management processes.*

SAP IT Trends for 2013

# Change of Culture

**Concentrate on the Core Business**

**Lower your costs**

**Lean and Agile Solution**

- **to your Business**



**Delight the  
Customer**

# Managing Risks and Security

We have the experience and technology to manage:

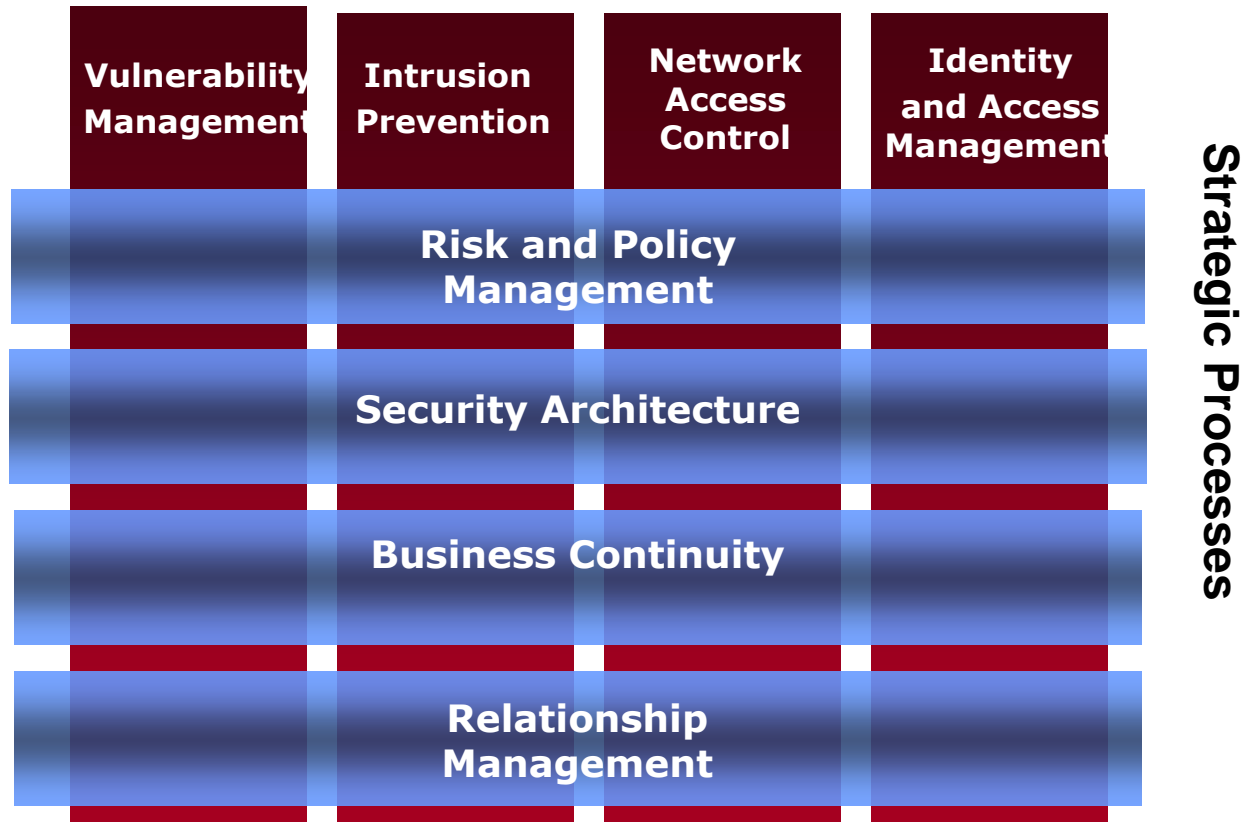
- Security: Access Control, Transmission
- Fraud
- Anti-Money Laundering

Important to take a Security Process Portfolio approach

# Security Process Portfolio Approach



## Protection Processes

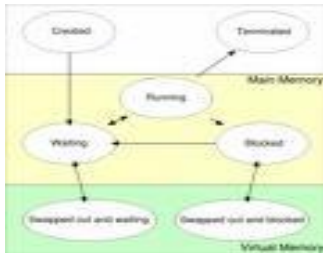




# The (Near) Future

## Integrate

Product



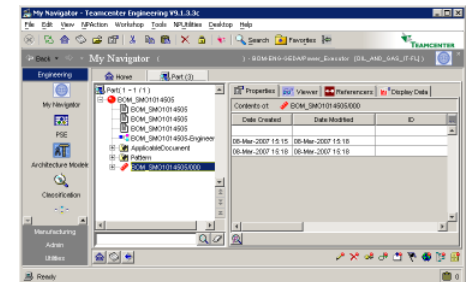
## Mass Private Banking

Process



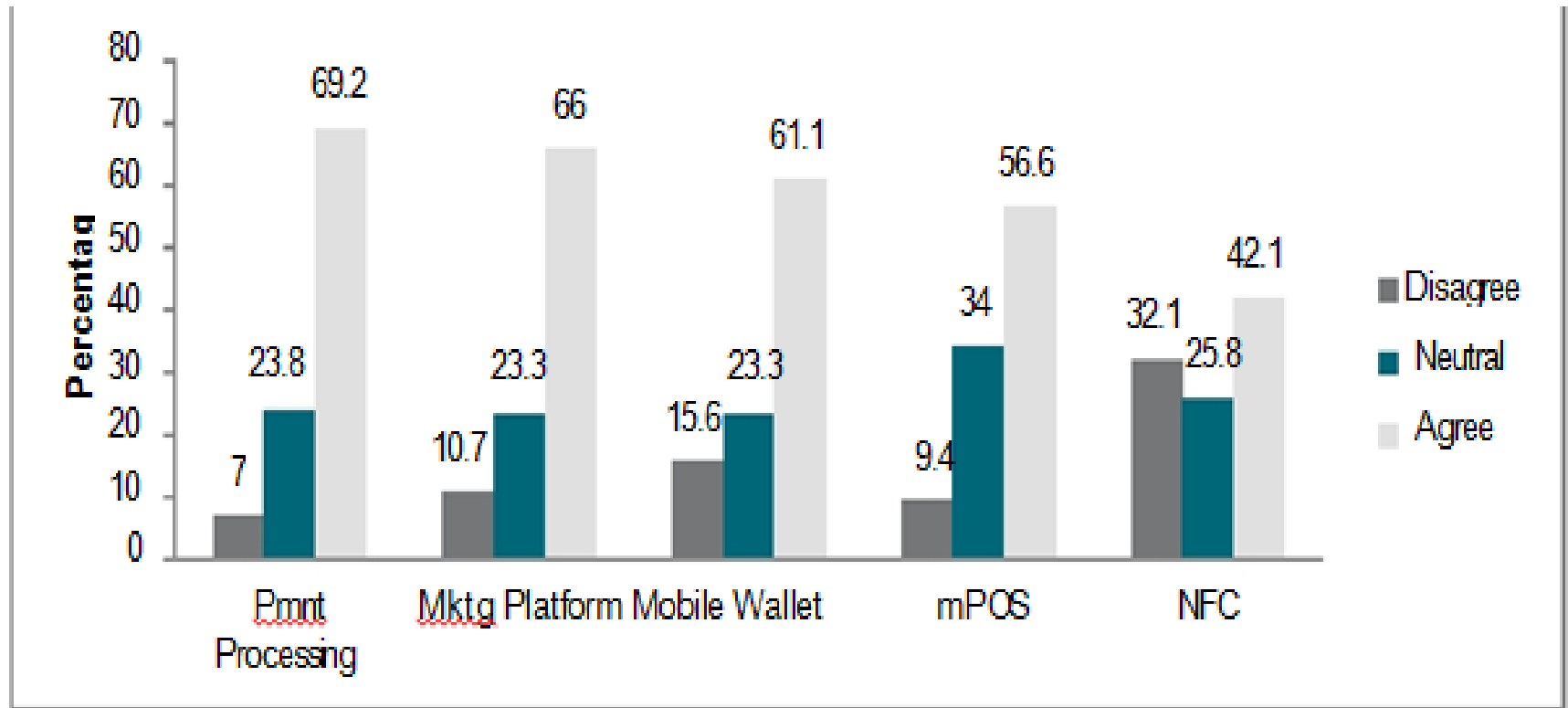
## Mobilize

Infrastructure



**Mobile Banking Will Grow 300% Over the Next Four Years Says Aite**

# Which Technology will Emerge as a Winner?



Source: Gx Emerging Payments Survey, February 2013

# The Final Message To Beat Your Competition... ... Strive For Perfection



- Continuous improvement
- The policy of the Bonsai, small steps at a time

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Worked in 10 Countries in several companies

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Program Leader in Galileo

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