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Building an agile organisation at ING Bank Netherlands

ING Group was established through a merger of three Dutch financial services firms in 1991. It expanded internationally into Europe and the Americas, and created a no-frills savings account business called ING Direct in the late 1990s.

In 2007 it merged its two main subsidiary banks, Postbank with 7 million customers but no branches, and ING Back, which had a full range of products and services and a large branch network. The process of merging the two banks was called Tango ('Together Achieving New Growth Opportunities') and was led by chief operating officer Bart Schlatmann. The merger involved integrating their IT operations, creating a common brand, and bringing together two very different organisational cultures. The migration of customers to the new platform began in 2009 and was completed in 2012, leading to a reduction in headcount of 4,000 and ongoing savings of €280 million a year.

The financial crisis occurred during this period and ING ended up receiving a rescue package from the Dutch state. ING was forced to sell off ING Direct bank, and undertook a 'back-to-basics' programme to cut operating expenses further. By 2011, the bank's operations had been stabilised and Bart Schlatmann led an additional round of internal process re-engineering called 'Less is More'. He recalled:

> *We had over 2,000 different banking operational processes at the start and by the end we had only 200. I can buy something from Amazon in three clicks, so why do I need to ask my clients 36 questions for a simple opening of a savings account?*

The team used Lean Six Sigma-trained 'black belt' experts to assist internal staff in the programme. Each key process took three weeks and had to pass through the 'washing lanes' test before it was passed as 'clean'. The whole process took 18 months.

New CEO: the omni-channel strategy

Ralph Hamers became CEO in October 2013 and announced his 'think forward' programme, including focusing on easy-to-understand products, an omnichannel user experience and empowering customers through a great user experience.

Schlatmann and his team in the Netherlands were looking for ways to implement Hamers' strategy and were conscious of major strategic changes underway in the banking industry; for example, the rise of peer-to-peer lending and the massive uptake of mobile banking. They decided that channel compatibility (in other words, a common experience across mobile, PC, telephone and face-to-face banking) was a need that customers really cared about and which could provide a focal point for another change initiative. Schlatmann said:

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